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West Europe Report



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POLITICAL

AUSTRIA

HAIDER CHALLENGES FPÖ PARTY LEADERSHIP

Vienna PROFIL in German 12 May 86 pp 18-21

[Interview with Dr Joerg Haider, Kaernten FPÖ provincial party chairman, by Helmut Voska of PROFIL, date and place not specified: "Steger Helps the ÖVP Every Day"]

[Text] PROFIL: A few minutes ago you heard from the mouth of FPÖ General Secretary Walther Grabher-Meyer that you are to be expelled in disgrace from your liberal political group to which you have belonged for 22 years. Please express your feelings at this moment.

Haider: The public has never been spoiled by intelligent statements by our general secretary. Grabher-Meyer tries to prejudge even before study of the matter by the party tribunal, which says it all about the liberality of Mr Grabher-Meyer. Long before my expulsion the party tribunal first would have to examine whether or not the decision of the Kaernten provincial party executive was in any way in violation of the statutes.

PROFIL: The Kaernten FPÖ decided no longer to invite FPÖ federal functionaries to Kaernten...

Haider: ...and that is definitely not in violation of the statutes.

PROFIL: Is that the way to treat comrades?

Haider: It is not we Kaernten people who have acted in this manner the first time. My Upper Austrian party friends, too, once expressly renounced election campaigning by federal party chairman Dr Steger on the occasion of a provincial election; at the Tyrolean provincial elections, Kufstein mayor Dr Dillesberger even mounted an anti-Steger campaign--and won.

PROFIL: Nothing has happened to any of them.

Haider: Nothing happened to them, but I am being dragged before a party tribunal.

PROFIL: How are you going to justify yourself before the tribunal, always providing that you are provided with the opportunity to defend yourself?

Haider: To start with, it is to be ascertained whether the FPÖ federal executive is even entitled to declare the decision of the Kaernten provincial party executive in violation of the statutes and to take the matter to a party tribunal. I consider the ultimatum made against us by Steger as null and void.

PROFIL: The composition of the party tribunal leads to the conclusion that it shares Steger's legal opinion.

Haider: That is what is being claimed; we are going to check into that. We are going to challenge this tribunal because of prejudice and see to another composition of the three-man appellate tribunal.

PROFIL: That means, the conflict between Steger and Haider will bore the Austrians for months?

Haider: That is a conflict between our provincial group and the federal party chairman.

PROFIL: You must include condemnation of the accused Dr Haider in your calculations. All federal FPÖ functionaries act determined. Your expulsion from the party is quite possible.

Haider: I am aware of that risk. I don't stand for any such thing. I only point out the special factor that the only FPÖ functionary who has won elections for years for the FPÖ is to be expelled even before he can be a candidate as federal party chairman of this party.

PROFIL: What consequences would your expulsion from the party have for you personally, for the warned members of the Kaernten party executive, for the federal FPÖ, and the federal government?

Haider: The impression that would thus be created would undoubtedly be disastrous. For after all offenses are being alleged which simply do not exist. Steger and Grabher-Meyer in unison speak of a "split of the party" and of a "wrecking of the coalition." That is not included in our resolution nor was it ever the subject of the criticism of our provincial group. We have only defended ourselves against the fact that Steger simply broke agreements he had made with our provincial group.

PROFIL: In case you are expelled, are there then going to be two national-liberal camps, thus quasi a fourth and fifth force after Mrs Meissner-Blau was able to establish a third force so convincingly?"

Haider: We do want to prevent her from establishing a third force. Therefore the top FPÖ leadership must change somewhat. From the provincial organizations of my party I hear that more and more of my friends also speak up in favor of a change at the top. They all say, Haider must be kept with the FPÖ, the Kaernten FPÖ must again be fully part of it under another federal party chairman.

PROFIL: Thus you seriously figure on an FPÖ federal party congress at an earlier date at which you could replace Dr Steger as party chairman and vice-chancellor?

Haider: That does not necessarily have to be me. There are a number of other qualified personalities who can do that better than Steger. The fact is that with this leadership, with Steger, we cannot successfully go into the elections.

PROFIL: Who could be Steger's heir?

Haider: I could very well imagine Harald Ofner as party chairman. He is an excellent minister, a good integration figure and, in contrast to Steger, he is accepted by the party rank and file. At any rate, Ofner would have the full confidence and the support of the Kaernten FPÖ provincial group.

PROFIL: In that case, could Steger remain vice-chancellor?

Haider: As far as I am concerned, yes.

PROFIL: Should Steger be voted out at an early federal party congress?

Haider: No, we can definitely wait for the FPÖ party congress planned for September and then see to it that the change takes place. It should be handled only in the manner recommended by the Upper Austrian provincial party executive. A personnel change is to be made on which all FPÖ provincial groups can agree. That is to say, the Upper Austrians assume that those from Kaernten can also approve.

PROFIL: The way I know Dr Norbert Steger, he will try to prevent that with all means at his disposal. Assuming neither you nor Ofner but he, himself, will again be elected party chairman. You are expelled from the party. In this case, would you accept an offer of the ÖVP to lure away liberal voters in Kaernten or Vienna as a black functionary?

Haider: That is undoubtedly out of the question for me. In case I am expelled from the party, I, supported by the confidence of my Kaernten friends, could definitely remain a member without party affiliation of the Kaernten provincial government.

PROFIL: Some of your party friends assert that you received money from the ÖVP. For what purpose, for political good behavior, for an early breakup of the red-blue coalition?

Haider: I have heard that nonsense, too. That is pure slander, it would be extremely stupid on the part of the ÖVP to give money precisely to the party which has gained votes and parliamentary seats at the expense of the ÖVP. Actually the ÖVP ought to pay Dr Steger something for staying. Steger benefits the ÖVP every day.

PROFIL: Let us assume you could undo everything: You could remain Kaernten FPÖ chief and a member of the provincial government and secret party chairman and vice-chancellor candidate--in that case would you then stubbornly use Dr Steger as a dog does a fire hydrant?

Haider: I have only acted consistently and carried out the decisions of the Kaernten FPÖ. The Kaernten FPÖ unanimously rejected Steger's ultimatum in a

secret vote. We don't let ourselves be split up and we would again act as we have done thus far. That was undoubtedly also proof of confidence in me as chairman of the Kaernten provincial group.

PROFIL: The members of the Kaernten provincial party executive are regarded as "Dr Haider's puppets" in Vienna FPÖ circles. They do what leader Haider orders.

Haider: You should participate in a Kaernten executive board session just once, then you would see that this, too, is nasty slander.

PROFIL: Concerning the psychological side of the permanent war between two young ambitious politicians. You, Dr Haider, have always been disloyalty personified. Is that a character flaw? I still recall RFJ leader Haider, who, even 15 years ago, used every, even the slightest mistake of then FPÖ leader Fritz Peter as an occasion for ironical, spiteful comments including those detrimental to the party. Is that part of your nature?

Haider: That is your interpretation. I considered and still consider such critical comments as necessary and as democratic.

PROFIL: Imagine yourself in the position of the party chairman. What would you do if you were surrounded by nothing but Haider's?

Haider: In my provincial group, too, I have a very critical leadership team that does not spare me anything. But we are more democratically organized. We have vehement discussions and disputes. But in the end we are united and everybody adheres to the resolutions. The chairman must also be able to give in.

PROFIL: Friedrich Peter, with whom I clearly did not sympathize, wanted to give you short shrift years ago. He wanted to liquidate you politically one year ago.

Haider: That is correct.

PROFIL: At that time, Norbert Steger still protected you.

Haider: Yes, Steger did not support my expulsion at that time.

PROFIL: Even more level-headed and less career-seeking FPÖ politicians than Steger criticize you massively. Upper Austrian party chairman Horst Schender recently charged you with "self-destructive stubbornness."

Haider: That corresponds only to the phraseology issued by the federal executive board. After the latest resolutions of the Upper Austrians, Schender will undoubtedly come to a different assessment of the situation.

PROFIL: Thus Schender, on his part, is a Steger puppet?

Haider: Schender has received many manifestations of loyalty from our side. I worked for him in the Upper Austrian provincial election campaign. He has no reason at all to wipe his shoes on me now. On the contrary: at the time of the

election campaign he told me that Steger is being criticized everywhere. At every campaign event, he said, he was asked by angry citizens when Steger would finally resign. Horst Schender ought to recall that.

PROFIL: Minister Ofner certifies you stupid provincialism while he raises Norbert Steger--by mistake--to the level of statesman. Steger stands for government responsibility, Ofner thought; Haider for armchair bragging. That was Ofner's analysis of the two quarrelsome persons.

Haider: That is why I would let the minister go first if he were ready to take over the FPÖ leadership.

PROFIL: Whereby bets could be made on how many weeks or months it will take until Dr Haider, as usual, attacks party chairman Ofner.

Haider: I am convinced that that would not happen because Ofner is a considerably more conciliatory partner than Steger, who will represent to a greater degree the interests of our provincial group than the present chairman.

PROFIL: The last of a great wealth of anti-Haider quotations: "Haider is the fifth column of the ÖVP," says your general secretary Walther Grabher-Meyer. You commit, he says, "permanent harakiri for general merriment." Your entertainment value isn't that big, is it?

Haider: This Grabher-Meyer statement will have to have consequences. Everybody knows that I am not the fifth column of the ÖVP. Because of this slander I am going to charge the FPÖ general secretary before the party tribunal. That clearly went too far. By the same token, that would signify that the FPÖ becomes the fifth column of the SPÖ if it does what Grabher-Meyer proposes: To recommend to the voters to vote for the socialist candidate Dr Steyrer on 8 June. And concerning the second charge I can only say: If someone commits harakiri, then it is the present FPÖ leadership duo of Steger-Grabher-Meyer.

PROFIL: In summary: If in fact all top politicians of your party, from Friedrich Peter to Norbert Steger, Horst Schender, Harald Ofner and Walther Grabher-Meyer attack you, would it not then be possible to reach the conclusion that this majority is right and the lone wolf Haider is wrong?

Haider: Well, that you include Grabher-Meyer among the top politicians, I consider that greatly exaggerated. And that the majority is always right, that is simply not true. Please recall that I lost in the federal party executive by a vote of 17 : 1 and nevertheless I was right, as it now comes out. It would undoubtedly have been better if I had been given a free hand in the fight against the rampant privileges.

PROFIL: If push comes to shove and you have actually to expect expulsion from your party, could you imagine that you would knuckle under and give a binding promise to comment only on problems of Kaernten to escape expulsion from the party?

Haider: No. That is undoubtedly not the way it is going to go. I am not a member of a communist cadre party, but I belong to the liberal camp. I won't

let anybody tell me to be quiet. The party tribunal will come to the conclusion if it is not terribly manipulated that at any rate we did not act in violation of the statutes.

PROFIL: But it is in Norbert Steger's hand to end your political career. Or would you be ready to serve the SPOe, the OeVP, the Greens?

Haider: No, definitely not. I would take a job in private industry. Steger can end my career if that is what he wants.

PROFIL: My personal impression is : Steger has climbed up the ladder lightning fast, literally by any means, also some rather underhanded ones. He eliminated first Tassilo Broesigke in Vienna, then Alexander Goetz in cold blood, almost brutally and thus forced his way to the top. My guess is that you believe you can do so at least as well as Steger. Only; you are too late. You missed the boat. He is vice-chancellor of the republic. You are--nastily put--a brownish rowdy from Kaernten. He is the hare. You are the hedgehog. That's what enrages you. And rage is always a bad advisor in power struggles to be calculated with strategic coolness.

Haider: PROFIL is known to ask questions that really ought not to be answered. But since I am generous today, I am going to answer this question, too. I consciously do not want to comment on Steger's career. You are the first one to assert that I am too late. Most of them say, I am too early. I am proud of the fact that I am now chairman of the strongest and most successful FPÖe provincial group. I am very satisfied with the way things are going here in the province. I am very dissatisfied the way things are going on the federal level. It is the duty of a responsible functionary to point that out in time. I take the right of democratic criticism of certain conditions and persons set down in the statutes. I do so publicly and I do not plot behind the back of others.

PROFIL: Now be honest for once: You have frequently thought before going to sleep that you would be the worthier, better and probably also more successful FPÖe chairman and vice-chancellor than Norbert Steger.

Haider: You have misconceptions of what I think before going to sleep.

PROFIL: What then?

Haider: Nothing political.

PROFIL: I do not believe a word you are saying. Make use of this PROFIL interview and tell your friends, by whom after all you want to be elected party chairman in place of Steger, how you would have made better use than Steger did of the opportunity of the first red-blue government coalition.

Haider: I would have conducted politics in favor of the FPÖe and at the expense of the SPOe in a much more accentuated manner than Steger did. After all, it is possible to block everything that contradicts liberal ideas with only one negative vote in the council of ministers. A great deal of pressure could have been exerted and a great deal could have been changed. Economic and tax policy could have taken a completely different course.

PROFIL: Please be more concrete.

Haider: By the example of the assessed real estate values: There has been a blue-red government decision on increasing the assessed values which would have caused massive tax increases for every homeowner. In response to the pressure of the Kaernten FPOe provincial group, this unanimous government decision was overruled even though we had no competence whatsoever in this matter. This one example is to show you that we would have made by far tougher politics, which would have been more oriented on the needs of the people. Steger should take up the challenge of a vote.

PROFIL: How would you describe your personal relationship with Steger?

Haider: I have been very frequently disappointed by him and that after all does not strengthen the basis of trust. My relationship with Steger is not characterized by my jealousy but by differences in objective political views.

PROFIL: Let us concentrate now on the objective political--according to my opinion more personnel-policy--differences of opinion. What was the cause for your attack on Steger? Only the fact that Haider was not permitted to become defense minister?

Haider: In front of many witnesses Steger made an agreement last November with the Kaernten provincial group. After Friedrich Peter's departure as club chairman, Steger promised that the Kaernten provincial group will be upgraded by a second deputy or be more strongly included in the government. On 24 February 1986 Steger renewed and confirmed his promise in this respect in the presence of club chairman Freunschlag here in Kaernten and promised to coordinate his final ideas with us prior to the closed-door meeting. Even before the start of the FPOe closed-door meeting, a Kaernten FPOe delegation visited the party chairman and reminded him of his promises. This delegation, which on purpose did not include me, was dealt with by Steger in a manner that one cannot put up with. My friends, all highly meritorious FPOe functionaries, were shocked.

PROFIL: But when there are only two positions to be newly occupied, defense minister and club chief, then from mathematical reasoning alone, the federalist principle cannot be properly served. Two positions and 9 provincial organizations, how does one figure that out?

Haider: That does not interest me at all. There was a promise and that was to be kept. And even though things are not working out as planned, then it would have been an act of loyalty towards colleagues and fairness to say to us: "It cannot be done, help me." We would undoubtedly have done so.

PROFIL: That is to say, Steger's course of action aroused the anger of the strongest provincial group.

Haider: Yes, certainly.

PROFIL: Did you want to become defense minister for the last few months remaining to this government until election day?

Haider: I, personally, did not want it. My provincial group wanted it. But we had a second candidate in Kaernten FPÖ club chairman Joerg Freunschlag. He would have been it.

PROFIL: I hope you are not mad at me when I say that one Kaernten liberal in the federal government is enough for me. State Secretary Ferrari-Brunnenfeld costs us much money; his performance, as I see it, is zero.

Haider: With all differences I have with Ferrari, I must take his side in this charge. He is one of the most hardworking state secretaries that we have.

PROFIL: If I view that correctly, you were easy to satisfy. Kruenes could have become defense minister; Frischenschlager of Salzburg, club chairman. And Steger would only have had to apologize to you for a broken promise.

Haider: That is correct. All he had to do was provide one position in the deputy club of the FPÖ parliamentary group for a person from Kaernten.

PROFIL: Which FPÖ deputy would you like to get rid of to make room for someone from Kaernten?

Haider: The federal party chairman will have to think that over.

PROFIL: How would a federal party chairman Dr Joerg Haider have handled the departure of club chairman Friedrich Peter in terms of personnel policy?

Haider: If I had been in this position, Friedhelm Frischenschlager, the "most successful defense minister of the Second Republic," according to Steger, would have remained defense minister and would not have been replaced. I would have made Dr Gugerbauer, the Upper Austrian lawyer, club chairman.

PROFIL: An Upper Austrian follows an Upper Austrian and the Kaernten people would have been left holding the bag.

Haider: No, because a second Kaernten deputy would have moved up. What is decisive is the fact that Steger did not act according to his commitments. Thus our basis of trust was destroyed. I ask you: How is it possible for us to depend on Steger's promises regarding assessable values, regarding the reduction of privileges in the energy industry, regarding the association dues. Therefore we decided not to invite any longer federal politicians until further notice. They should use the time thus available in Vienna and Lower Austria to inspire at least a few voters for the FPÖ.

PROFIL: Since the entry of the FPÖ in the federal government even the last loyal FPÖ voters have disappeared. In various opinion research polls your party ranks far behind the Greens and the Alternatives, only within the statistical margin of error. The Steger/Haider dispute which, if I interpret correctly what I heard, will continue for weeks and months, will only accelerate the decline of the FPÖ.

Haider: We are in bad shape. You are absolutely right. Therefore the time has now come where something must urgently be changed in the party leadership.

PROFIL: Steger holds the power. You are the rebellious outsider. It is to be assumed that your party friends will align themselves with the powerful one and will discard you.

Haider: Personal courage is part of politics; such conflict situations must also be seen through, even though the outcome is uncertain. No one can always work with a safety net.

PROFIL: After 4 May, not only Dr Kurt Steyrer but especially the Sinowatz SPOe is the election loser. Your general secretary now recommends supporting the candidate of the coalition partners with liberal votes in the second ballot, too. Do you consider that as correct?

Haider: From the voter analyses we know that the majority of our voters voted for Waldheim. Grabher-Meyer will be unable to change the opinion of these voters by 8 June. Therefore I consider his recommendation as incorrect and contrary to our policy line in the federal party executive. On 8 June, the SPOe is to remain as the sole loser in the election. Why did the FPÖe find it necessary to present itself also as an election loser? Our voter potential is known to be sensitive. It cannot be controlled by Grabher-Meyer's manipulations.

PROFIL: What is it that Norbert Steger should become after April 1987: vice-chancellor, chairman of the Vienna FPÖe, or lawyer?

Haider: I believe there must be a new course and a new head with which we go into the National Council elections. What will become of Norbert Steger—that is something that he will think about himself.

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CSO: 3620/718

POLITICAL

DENMARK

SCHLUTER, RADICAL LIBERAL'S CHIEF AGAINST EARLY ELECTION

Schlüter Rejects Fall Election

Copenhagen BERLINGSKE TIDENDE in Danish 16 May 86 p 3

[Article by Ole Dall: "Schlüter: No Election in the Fall"]

[Text] Prime Minister Poul Schlüter (Conservative Party) yesterday evening dismissed Svend Auken's (Social Democratic Party) statements regarding the fact that the government is paralyzed and supposedly will issue writs for an election in the fall. "No intentions of an election in the fall," the prime minister maintains.

"Svend Auken is making himself a victim of a misunderstanding. The government has no intentions of issuing writs for an election in the fall. The opening speech I will deliver in October will therefore also not be an introduction to an election, as Svend Auken visualizes."

"It will be a work program for the coming Folketing year. I expect that the election will first come toward the end of the present four-year Folketing term." Prime Minister Poul Schlüter (Conservative Party) commented in this way yesterday evening on a contribution which Svend Auken (Social Democratic Party) wrote to LO-BLADET [DANISH FEDERATION OF TRADE UNIONS MAGAZINE].

In it the Social Democratic Party's political spokesman and vice-chairman foresees that the government will issue writs for an election in the fall. He refers to a lack of spirit and poor cooperation in the government.

"The government is becoming more and more paralyzed, and after the current Folketing session it will have to confront the fact that it will just have gotten the Easter package through and the bill regarding part-pensions," Auken writes.

In light of this, the prime minister calls Svend Auken "extremely forgetful," and Poul Schlüter adds: "Svend Auken can certainly not have forgotten that we got the tax reform in place, that the EC package was approved, that we eventually got the budget deficit turned around into a surplus, and that we can now state that a total of 160,000 new jobs have been established."

"We have had to work as a minority government, but the results have been so positive that we do not dream of prematurely giving up the responsibility of governing," the prime minister concludes.

Petersen Sees Continuing Support

Copenhagen BERLINGSKE TIDENDE in Danish 17 May 86 p 11

[Article by Carl Otto Brix: "Helveg to Government: Stop Whimpering"]

[Text] The loud debate between the government parties and the threats of an election are being met with a challenge to stick to it.

"The government is crying too much over trifles. It must really stick to it until the election term has run out. This must be done."

This advice to the four-party coalition government came from its most loyal supporter, Radical Liberal Party Leader Niels Helveg Petersen, after the loud debate of recent days over the government's situation, culminating in some critical statements by Justice Minister Erik Ninn-Hansen (Conservative Party) to WEEKENDAVISEN yesterday.

"I do not believe that the conclusion of this Folketing session has been worse than usual," Helveg Petersen says. "It can well be that it is felt to be outside the walls, but inside it is actually going better. There are many bills which must be put to a vote, but they are all some which were mulled through during the winter. The legislature is functioning."

[Question] Is the government tired out?

[Answer] "I rather think, I would like to say, that we have been through a period with an enormously heavy strain. The intervention in December, the EC vote, the intervention in March, and the reorganization of the government. Immediately after this the Folketing's concluding round began. It is perhaps for this reason that an impression of confusion is spreading among the people, confusion which I do not feel exists."

[Question] Ninn-Hansen talks about bad spirits in the government. Have you felt it to be so?

[Answer] "I think that the reorganization of the government brought some party politics feelings and differences to the surface. This is inevitable. But on the whole I regard the reorganization of the government as a strengthening. Then there has been a discussion between us and especially the Liberal Party--it was they who opened the ballet--which resulted in the fact that the Liberal Party began to talk about an election. It is not very appropriate but certainly a classic mistake. It is creating unrest."

[Question] Do you perceive the government's compromise with the municipalities and the housing compromise as an attempt to become popular?

[Answer] "No; it is a completely natural political expression of the fact that the economy is doing much better. What is needed now is that limits be set for municipal activity--not to call in available funds, which was necessary when the economy was bad. The municipalities did not like this, and this is certainly understandable. Whether the money is in the State treasury or in the municipalities' treasuries is unimportant."

[Question] Is this to say that the government's policy has been successful?

[Answer] "It has been successful in some very central areas, including, among other things, reduction of the budget deficit."

[Question] Should a government seek to become popular?

[Answer] "A government must do what it finds necessary. At the very moment that a government gives up this ambition it is an opposition which controls the pursestrings. Popularity is a fickle commodity. Respect is much better. A government must always seek to create respect for the necessary policy and never lose sight of its goal. Some of the knotty situations which have existed in our coalition arose precisely when the government attempted to conduct an opposition policy. But I think that it has generally conducted the necessary policy."

[Question] How far will the Radical Liberal Party go to maintain the government?

[Answer] "Let me put it another way: We have never supported the non-socialist government for its own sake. But because it is conducting the necessary economic policy. In the Radical Liberal Party we are of the opinion that the government should sit the election term out. It is colossally important that we get away from the two-year madness which has hurled the Danes into an election every other year. Danish politics needs a government which sits out the election term. They must withstand the pain although there are hard times once in a while. I think it is a question of too much whimpering when some ministers or representatives of the government parties begin to speak about a premature election. They must refrain from this. I really believe that this government has considerable popular support and accordingly it is nonsense for hands to start trembling instead of aiming at the goal."

[Question] Does not the Radical Liberal Party have it too easy by being able to play along both on the government wing and on the opposition side?

[Answer] "The Radical Liberal Party has taken its ample share of boxes on the ears."

[Question] Have you gotten tired of this?

[Answer] "No; if we believe that something is necessary then we are ready to advocate it and take the boxes on the ears afterwards."

[Question] And some Radical advice for the government?

[Answer] "Point 1: Think in the long term. It is a year and a half to the next election, and let us tackle the problems which come. Point 2: Refrain from talking about the fact that there must be a premature general election. This will be of no benefit."

[Question] Then, the Radical Liberal Party is prepared to keep this government in power whether it wants to or not?

[Answer] "We have said insufferably, also to other governments, that now we must have a government which sticks out an entire election term."

[Question] And so then you are also ready to vote for what the government deems necessary to get the balance of payments deficit reduced?

[Answer] "This is obvious."

8831

CSO: 3613/138

POLITICAL

FINLAND

ESTONIAN MINISTER: FINNISH TV SERVES AS 'REAGAN MOUTHPIECE'

Helsinki HELSINGIN SANOMAT in Finnish 19 May 86 p 25

[Article by Jukka Rislakki: "'Finnish TV Is Reagan's Mouthpiece'; Finland's Proximity Makes Special Demands on Ideological Work in Estonia"]

[Text] Tallinn--Finnish television is a "channel for Reagan," complains a high official of the Estonian Communist Party in an interview with HELSINGIN SANOMAT. In his opinion, Finnish television could sometimes air Soviet viewpoints more prominently.

It is very common in Tallinn to watch Finnish television and listen to Finnish radio. No attempt is made to prevent it, and it probably could not be prevented. The impact of Finnish news and entertainment is felt in Estonia. "It's part of the Soviet Union, there they dig Eeva-Riitta Siitos," sings Juice Leskinen.

Largely because of television, the party in 1984 had to publish an educational book in which Finland's shortcomings are also discussed and it is proven statistically that Estonians eat more meat and other articles of food than do the Finns.

Because of the low language-wall, newspapers can be a problem, too. Customs officers regularly rip pages out of HELSINGIN SANOMAT, for example. Persons who try to smuggle books are often sent back to Finland.

OHTULEHT Made Error

In 1982, Tallinn's party newspaper OHTULEHT published an article in which the United States was said to have turned Finnish television into an "ideological weapon," even with the help of a new American antenna. Tenu Laak, deputy director of the party's Propaganda and Agitation Department, talks about his work in the Central Committee building and seems somewhat annoyed by the matter.

"The party had not discussed the OHTULEHT article, which should have been approved at a high level. If we had seen it, we wouldn't have approved it.

"The thing wasn't thought through, and in the presentation of facts there were slight slipups which caused an uproar in Finland, as might well be expected," says Laak.

In Laak's opinion, however, there is room for criticism. "I would say that the Americans use Finnish television to spread their propaganda." He mentions as examples the weekly series which--because of their considerable popularity--can be sold cheaply to the world and which the Finns find more profitable than producing the programs themselves.

Misconceptions

"It's not the Finns' fault. They're not always aware of what they're choosing. And besides, it's a matter of economic necessity. But if the viewer is not a Finn, maybe he doesn't understand that he's watching a program which promotes the American way of life and which depicts American, not Finnish, reality."

According to Laak, the misinformation often arises in the receiver's head. "Finnish-language skills are quite low here. The subtitles aren't always understood."

The propaganda chief praises Finnish television's own programs, the reports on topical issues, for example. They try to convey a thorough and creditable picture of the Soviet Union.

"Your television could sometimes tell a little more about our viewpoints, however. After all, Ronald Reagan's statements and foreign policy are often transmitted to the viewers without any commentary. Finnish television is a channel on which Reagan appears almost every day."

Laak admits that "we ourselves are certainly to blame for the loss of viewers. People are interested in topics on which, for some reason, we keep silent. More activity is called for."

Additional Speed

Estonia is in a "competitive situation" which also requires speed. "If we could provide coverage of important world events at approximately the same time as Finnish television, then people here wouldn't need to choose foreign TV channels to obtain a picture of what's happening in the world."

There is no debating with foreign news media. Laak says that Finnish commercial television is sometimes guilty of "slipups and sensationalism," for instance, when it reported the defection of Valdo Randpere. He claims that the exploits of Roosna and Lepajoe received swifter and better coverage in Estonia than in Finland and Sweden.

According to Laak, Finland also inaccurately reported that the Communist Party of the Soviet Union had reprimanded the Estonian party in the summer of 1984. The CPSU standpoint focused attention on the shortcomings in political education, and Finnish television was also mentioned. "Our leaders received more praise than blame, however."

Editors Spoken to

Laak is responsible for the ideological line of the press, radio, television, book publishing, and athletic life.

"We don't come right out and say what you can and cannot write about. The right people have been chosen for the right jobs. In newspaper management there are competent people who make decisions themselves."

Afterwards, a party representative may speak to or call those who have made errors. "It happens to editors here almost every day."

Editors may be present at sessions of the Central Committee secretariat and politburo, and once a month the party arranges news conferences and opportunities to interview leading figures. In Laak's opinion, the editors are extremely cautious and do not dare to "take risky steps."

"Television and newspapers do not always make public what we are interested in. Nor are we altogether satisfied with the news items which TASS publishes about these sessions. They are dull and bureaucratic."

The new alcohol policy presents newspapers with fresh and arduous tasks. "The press still has a hard time understanding that the temperance campaign is not just an ephemeral topic but an ongoing policy. It is not enough to deliver pointblank propaganda and tell about the harmfulness of liquor. You have to offer alternatives."

12327
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POLITICAL

FINLAND

GREENS' EXECUTIVE PANEL DEMANDS NUCLEAR POWER SHUTDOWN

Unanimously Agreed

Helsinki HELSINGIN SANOMAT in Finnish 19 May 86 p 6

[Article: "Greens Urge Shutdown of Nuclear Power Plants"]

[Text] Greens are pressing for the shutdown of Finland's nuclear power plants. A statement on the subject was unanimously approved by the movement's national conference, which ended on Sunday in Espoo.

Nuclear power should be abandoned altogether, in the opinion of the Greens, because the risks associated with the use of nuclear power are unacceptable. The Greens also want to end the importation of electricity generated by nuclear power. Instead, people should be encouraged to conserve electricity in every possible way.

In addition to the nuclear accident at Chernobyl, a key topic of debate at the conference was how the Green movement should be organized. No joint resolutions on the issue were passed, but the problem was amply discussed at an unofficial level.

The debate on organization will continue at a conference to be held in Tampere 7-8 June. It is believed that the issue will be resolved there.

Conference participant Pauli Valimaki of Tampere said that within the movement there are at present three different attitudes, roughly speaking, toward the need for organization.

One extreme is represented by the Greens of an older generation--Eero Paloheimo, Kyosti Pulliainen, and Pentti Linkola--who have worked this spring on behalf of the formation of an Ecological Party. They are prepared to add the finishing touches in the autumn if Green activity is not worked out to their satisfaction before then.

The other extreme is represented, among others, by the Greens' parliamentary group under the leadership of Ville Komi and Kalle Konkola. They want to keep the movement open, leaderless, and nonhierarchical.

Osmo Soininvaara has offered a compromise between the two extremes: the movement should be organized into district associations within the electoral districts. Soininvaara's argument is that organizational vagueness prevents the movement from functioning properly.

In Valimaki's opinion, Soininvaara's proposal may have received the strongest support at the Espoo conference, even though other proposals had their backers as well. Soininvaara also thinks that the Greens want to become more clearly organized than they are at present.

Movement Remains Seriously Divided

Helsinki HELSINGIN SANOMAT in Finnish 20 May 86 p 2

[Editorial: "The Greens' Problem"]

[Text] Representatives of the Green movement have unanimously urged the shutdown of our country's nuclear power plants as well as the prohibition of imported electricity which is generated by nuclear power. Even before the Greens, the Finnish Rural Party was quick to call for the shutdown of nuclear power plants. While just a short time ago all the other parties seemed inclined to support nuclear power, after Chernobyl no one has the nerve to suggest that we order a fifth nuclear power plant.

Although Green viewpoints enjoy considerable popularity, organization of the Green movement itself is becoming a thorny problem. Should the Greens of the future remain a loose popular movement which engages in battle on its own terms and which encourages the spread of Green concepts to all political parties? Or should they establish their own organization or quite simply their own party machinery and seek success in the parliamentary elections on an equal footing with other parties?

According to surveys, the Greens are effortlessly turning into a protest movement which opposes party politics. The movement by its nature appeals more and more to the middle class in small towns and to voters disillusioned with the Finnish Rural Party as well as to Greens in university cities.

Organization into a party might effectively channel the protest mood and produce a riotous success the first time around. That is why the plan has its supporters. But what about the future, if the Greens are one ordinary parliamentary party among others?

Most supporters of the Greens seem to have a very vague idea of what they expect from the movement. The greenness of the Greens is enough for them. Some sort of organization at the local level is obviously needed for nominating candidates in the parliamentary elections. Otherwise the advantages of forming an organization appear questionable.

12327
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POLITICAL

FINLAND

UN ENVOY KORHONEN: FINLAND TO TAKE MORE INTEREST IN RIGHTS

Helsinki HELSINGIN SANOMAT in Finnish 20 May 86 p 23

[Article by Matti Verkkola: "Finland Becomes Active in UN Debate on Human Rights"]

[Text] Washington--On Monday, Finnish ambassador to the United Nations Keijo Korhonen urged the UN to keep a closer watch on human rights and called on the member countries of the world organization to honor those rights. In a speech given during the spring session of the UN Economic and Social Council, Korhonen, citing reports by the organization's special investigators, mentioned five countries as violators of human rights: Afghanistan, Iran, Chile, El Salvador, and Guatemala.

The Ministry of Foreign Affairs described Ambassador Korhonen's speech as a "definitive statement" of Finland's stand on human rights, and at the same time it was judged that our country had "joined the ranks of Western civilized nations on these issues."

"It has become increasingly evident that the UN needs a more efficient mechanism for monitoring violations of universally accepted human rights. After the states have approved the framework of conduct, they are committed to cooperating with the world organization in the surveillance and enforcement of obligations," affirmed Korhonen.

The ambassador emphasized that the states' willingness to cooperate is very much dependent on how the UN performs its share of the task.

"This interdependence is not always adequately seen, however. On numerous occasions, Finland has proposed a reinforcement and expansion of the mechanism for cooperation," stressed Korhonen.

Korhonen supported the growing use of special investigators, although he confirmed that "numerous problems prevent us from utilizing this system to the full." At the same time, he proposed the establishment of a fully authorized office for human rights issues.

"The United Nations in cooperation with the countries concerned must seek to improve conditions where human rights are inadequately honored," said Korhonen. He deplored the manner in which certain member states refuse to cooperate with

special investigators and at the same time support the dispatch of those special investigators to other countries.

The ambassador said that Finland weighs its relations with other countries on a scale of "basic conduct," and in questions of human rights it "goes in for quiet diplomacy, not a policy of vociferous protest."

"In the United Nations, Finland will devote considerable attention to these issues from now on," promised Ambassador Korhonen.

12327

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POLITICAL

FINLAND

SORSA WARNS AGAINST BOURGEOIS GOVERNMENT IN REPLY TO VAYRYNEN

Response to Vayrynen Candidacy

Helsinki HUFVUDSTADSBLADET in Swedish 10 May 86 p 19

[Article by Bjorn Mansson: "Two Sides of Sorsa"]

[Text] It was a somewhat comic combination of party politician and statesman that emerged when Prime Minister Kalevi Sorsa was interviewed on "Studio A" Wednesday on the occasion of his government's third anniversary. First Sorsa, the party tactician, interpreted Paavo Vayrynen's government move at the end of April somewhat unkindly as an attempt to attract attention in the May Day speeches. According to Sorsa this was "not the first time."

If Vayrynen's statement about the government base is regarded as the "program declaration of a presidential candidate," Sorsa said it did not augur well for continued cooperation. With regard to Vayrynen's presidential candidacy Sorsa repeated his suggestion that this might force other parties to step up their nomination timetables and said that the Center Party's early start tended to confuse the issue for the entire nation and not just for the Social Democrats ("sotkia maan kuvioita"). He indicated that "tense conditions" could also arise over the administration of foreign policy, but added that he hoped this would not be the case. However it was an interesting suggestion.

Gradually Sorsa, the statesman, began to emerge: with regard to Kekkonen's line he said he did not want to "divide people into two camps." Although an opposition viewpoint might benefit the Social Democrats, "the country cannot afford that luxury."

Sorsa Administration Record Reviewed

Helsinki HUFVUDSTADSBLADET in Swedish 11 May 86 p 2

[Editorial by Bjorn Mansson: "Three-Year-Old Defies the Skeptics"; first paragraph is HUFVUDSTADSBLADET introduction]

[Text] On the occasion of the present government's third anniversary, its achievements and failures are reviewed by Bjorn Mansson, who also comments

on the prime minister's warning, inspired by Urho Kekkonen, against dividing the country into two camps.

Four seems to be the present government's lucky number. This is Prime Minister Kalevi Sorsa's fourth government, it is made up of four parties and its goal is to remain in office for 4 years, in other words for the entire election period. On Tuesday the government celebrated its third birthday, but it had already surpassed Sorsa's record in February and taken its place in the statistics as our country's second most long-lived government. If it succeeds in its goal to stay in power until the election it will also surpass the record of the Kivimaki government of the 1930's and take first place.

When the government was formed on 6 May 1983, many doubted its chances of surviving for long. The skeptics pointed primarily to the Rural Party as an uncertain factor and to the fact that the sensitive balance in the government depends entirely on this party, which was venturing into government responsibility for the first time.

However Kalevi Sorsa and his ministers have put these skeptics to shame. Everything now indicates that the government will manage to remain in power for the rest of the election period. The biggest question mark continues to be the Finnish Rural Party [FLP], but its retreat on the employment law indicates a decision to stay in office. The patience of the other parties can be explained in terms of the balance referred to above.

The government has also weathered other budding crises besides those that have been precipitated at regular intervals by the FLP's double plays. Things first heated up back in the winter of 1984 when the middle parties on one side and the Social Democrats on the other presented lists of demands that the other side regarded as directed against the government program. However the dispute was soon settled. The same was true of the little tug of war over cabinet seats after the municipal elections in the fall of that year. The end result was limited to an internal Social Democratic cabinet seat shuffle after the departure of Minister Vappu Taipale.

The government has also managed to cope with such labor market challenges as the general strike threat in 1984 and the coordinated Central Federation of Trade Unions strike this spring. But the minister's final word on labor policy will not be known until we see how they deal with the civil servants' strike, e.g. a conflict in which the state itself is a direct participant.

One reason why the government has lasted so long is undoubtedly the general realization that it is not that easy to find an alternative. There has been speculation about the possibility of a straight nonsocialist government after the election, but so far the nonsocialist parties have not been politically prepared to test this possibility. And minority governments are never a satisfactory solution.

The sharpened political climate in recent days, set off by Center Party leader Paavo Vayrynen's presidential candidacy and his remarks about the government's base along with the sharply-worded response from the Social

Democrats, has not had any noticeable effect on government cooperation, according to Prime Minister Sorsa. But in a TV interview on Wednesday he said he feared that in the fall we will start seeing the approach of the parliamentary election and then the presidential election. For that reason he wondered if it would continue to be profitable to present any major controversial issues to parliament this fall. That gives an indication of the "will to survive"--even at the cost of allowing the pace of reform to stagnate.

This would hardly be fatal in any case because the government has already managed to carry out--or at least start realizing--the major part of its program. A few random examples show that the following reforms have been carried out or at least brought to the parliamentary discussion stage:

Aid to developing countries has been increased and a basic decision was made to achieve a level of 0.7 percent of GNP by 1989. Partial reform of the constitution has taken a decisive step forward. Parliament has also received the so-called preliminary investigation package, a proposal to reform the lower courts and most recently an ambitious data secrecy law proposal (which was commented on in this space yesterday). The new law on surnames has already gone into effect and a proposed equal rights law has been released.

In the area of social policy we can mention that the reform of old age pensions has finally been resolved, benefits for home care has been expanded and the age limit for children's allowances and free dental care has been raised. The agricultural income law was extended to 1990 and reform of business taxation has been initiated.

In addition to continuing an active regional policy, the problems of the capital district were also addressed through a separate SAD law and basic decisions on other measures. Funding for science and research has been increased sharply while at the same time efforts have been made to encourage international cooperation on high technology, especially within the framework of the Eureka project. An admittedly controversial proposal for a Cable TV law has finally been sent to parliament.

The inflation rate has been moderated substantially, although the government certainly cannot be given all the credit for that. In the same way the government program's demand for shorter work hours was met--by the labor market.

To supplement these examples with some so-called Swedish issues, one can note the Osterbotten high school, the local court law and in particular the resolution of principle concerning the expansion of Swedish TV service. On the last point, it is true that the so-called coastal channel, which was mentioned in the government program, could not be realized.

But Swedish TV programming will remain one of the issues that will not be entirely settled until a decision is made on the reception of Swedish State Television in southern Finland. Other open questions are the employment law, the continued marginal tax reform, hospital management, reform of the waste treatment law, the extensive reform of the penal code, the rules governing party financing and last--but not least--energy policy. The planned

reform of Aland's self-rule law and housing legislation will evidently not be completed before the election.

The list of the government's outright failures must be headed by employment. Although some improvements have been made for key groups with the most severe problems and even though many new jobs have been created during the last 3 years, the prime minister is honest enough to concede that the government has clearly not done enough in this area.

The government's efforts have also been inadequate when it comes to things like encouraging the production of rental housing, substantially improving the economic and social conditions of families with children and safeguarding the development of student subsidies. The gross tax rate has risen from 34 percent in the year the government assumed power to 36.4 percent (the projection for this year). The government's program pledge that the increase would be limited to 1 percent in the current election period cannot be honored, in other words. Even so Finland is now in a fairly respectable 13th place in the OECD statistics.

In spite of these shortcomings the government parties are generally entitled to feel satisfied with the government's achievements. An obvious question is why it couldn't continue along the same lines following the election.

In the TV interview we referred to, Prime Minister Sorsa resorted to polemics in criticizing Center leader Vayrynen's suggestions of a nonsocialist government alternative, speaking in grave tones and warning against a division of the people. With tactical skill he referred to President Urho Kekkonen's regal idea that the nation should not be divided into two opposing camps.

It is clear that this concept is still relevant. In the long run it will be a good thing if government cooperation here can extend across the center line of Finnish politics. But at the same time it is worth warning against a different kind of division than the one Kekkonen had in mind: a division into an A group of parties that always share government responsibility and a B group that is condemned to lengthy or even permanent opposition status. That kind of division is not a good thing either.

6578

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POLITICAL

FINLAND

SKDL'S DE FACTO SPLIT REFLECTS SITUATION IN COMMUNIST PARTY

Helsinki HUFVUDSTADSBLADET in Swedish 16 May 86 p 12

[Text] The majority of the parliamentary group of the People's Democratic League [SKDL] has asked the 10 members of the minority group to dissociate themselves from the new "parallel organizations" that have been formed within 2 weeks. The move was made on Thursday and means in practice that the group will now be split, even though the 10 members said they would take part in the group meetings as long as possible.

The decision of the SKDL parliamentary group to require the minority members to decide where they stand within 2 weeks means in practice that the split in the Communist and People's Democratic movement in our country is now a total one.

The parliamentary group has long been the only organ where the minority and the majority could work side by side without any major problems.

The chairman of the group, Veikko Saarto, would not point to any "political reasons" on Thursday--but he did say the situation had changed because the 10 members in question are affiliated with the new "parallel organizations" that have been formed. The decision was made after consulting with the Finnish CP and SKDL.

Organizing in groups outside the Finnish CP and SKDL and the problems this has already caused justified asking the 10 minority members to decide within the next 2 weeks whose orders they would follow, according to the majority.

If the members refuse to promise to follow the line indicated by SKDL and the Finnish CP, they will be regarded as having resigned from the SKDL parliamentary group.

As expected, the 10 members denied that the Democratic Alternative and the Finnish CP Organizations' Committee are parallel organizations--they are aimed at unifying the Communist and People's Democratic movement in our country, according to the minority group.

The Democratic Alternative is an election organization that had to be formed because otherwise many communists would be unable to run for office in the parliamentary election.

The 10 members are now appealing to the public in the hope that the voters will "put a halt to the split" that is now apparent even within the parliamentary group.

"We are not stupid--but we are stubbornly determined to stay in the group. We will attend group meetings as long as we can. We belong to the Finnish Communist Party and that is a fact that cannot be changed, even with the use of force," said Tennila, who would not say what would happen at the end of the 2 weeks.

Tennila spoke on behalf of Matti Kautto, Mikko Kuoppa, Ensio Laine, Marja Liisa Loyttyjarvi, Irma Rosnell, Marjatta Stenius-Kaukonen, Sten Soderstrom, Seppo Toivianen and Pirkko Turpeinen. In all 17 of the SKDL group belong to the majority faction within the Finnish CP.

Like many others in the group, Saarto wished it could have held together--but against the background of the current situation this would involve "producing two different political goals."

"That is a situation we want to avoid," Saarto said.

Sixteen to Ten

The minority group, which had been informed in advance of what would be discussed at Thursday's meeting, presented its own statement, but it was rejected in favor of the majority statement by a vote of 16 to 10.

In practice the vote means that the majority rejected the minority's reply to the questions the group had been asked. "We will not give any answer except that," said member of parliament Esko-Juhani Tennila--one of the 10 minority members--at a press conference a few hours later.

The 10 members wanted the group to reject the "external divisive efforts" that are directed against the group and aimed at a "shift to the right."

"Aalto and his friends want to create a respectable group that is prepared to arrive at decisions by consensus," said Tennila.

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CSO: 3650/220

POLITICAL

GREECE

ND'S MITSOTAKIS SUCCESSION IN LIGHT OF RELATIONS WITH U.S.

Athens TAKHYDROMOS in Greek 15 May 86 p 9

[Text] Today I shall reveal the way Miltiadis Evert and Giannis Varvitsiotis, two true Karamanlis followers and ND heirs apparent, are promoting their relations with the U.S. and acquiesce, at the same time, to their policy with that of PASOK.

Contradictory as the above may sound, at least for the moment, this argument is true. Its main trait is clear opposition to Mitsotakis and his old-fashioned pro-Western orientations. Let me explain. Mitsotakis is attempting to provoke the government's "calm waters" policy and asks the U.S.--which does not at all seem to extend him the favor--to force Papandreu to commit himself publicly about his future handling of the bases' issue, etc.

At the same Mitsotakis is not having the best of relations with the American ambassador whom he accuses of "pro-PASOK tendencies." This explains the fact that Ambassador Keeley is not identifying himself with the Mitsotakis views.

It is not only the fact that the two "suitors of the ND leadership" maintain good relations with the American ambassador and that they "understand the difficulties of his office." It is also the fact that they radically disagree with Mitsotakis' "barren Atlantism" as the Evert talk at the Washington Foreign Affairs Institute and the Varvitiotis recent article on foreign affairs have proved.

The two politicians strongly disagree with Mitsotakis that Greece must once more start "an unproductive dialogue" with Turkey. They underline their faith (Evert more so) in United Europe and point out (in contrast to Mitsotakis) the U.S. responsibility concerning Turkey's expansionist policy and the Cyprus issue. Finally, they believe the government policy of calm waters towards the U.S. should be encouraged (without any intention for deriving small party benefits as Mitsotakis does).

In addition, Evert--who always avoids criticizing the Greek government on any subject whenever he is abroad, in contrast to Mitsotakis--pointed out recently in New York the need to redefine NATO's role on the basis of moral values and democratic ideas--again in contrast with the Mitsotakis arguments about the Atlantic Alliance.

Shall I venture a prediction? Following the disagreements on issues of ideological orientation--which forced Mitsotakis to adopt the Karamanlis dogma of "radical liberalism"--the intra-party differences of the two heirs apparent are now focused on foreign policy issues.

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POLITICAL

GREECE

LIBYAN CRISIS FALLOUT SEEN AFFECTING FOREIGN POLICY

Athens TA NEA in Greek 16 May 86 p 6

[Article by Dimitris K. Makris: "Prospects for Our Foreign Policy"]

[Excerpt] The Libyan crisis brought about changes of significance in our foreign policy in at least four areas of Greek interest. First, in the U.S. the crisis created difficulties in Congress which was tackling the budget and balance of payments. The strong U.S. public displeasure for "the attitude of the NATO allies" toward the American measures against Libya makes it possible to lead if not at least freeze foreign military aid to NATO members.

This experience from the Libyan crisis, coupled with the intensive and hard American pressure, could possibly lead to a reactivation of the West European Union, a purely European framework of military cooperation which the participants would be Great Britain, France, West Germany, Italy, Luxembourg and Holland.

NATO's weakness in effectively helping the U.S. in the Libyan crisis, coupled with its inability to contribute to the planning and implementation of a strategy in areas outside Europe (out-of-area operations); to adopt a common stand on the issue of the Strategic Defense Initiative; or to overcome its regional operational difficulties (for example, the southeastern wing of the Alliance) have intensified American pressure on the West European Union to form, together with the U.S., the backbone of a new Western military machine which in practice would marginize NATO. It is clear that our country must be prepared to cope with such a possibility which would have a decisive impact not only on Greek-Turkish relations but also on EEC's present and future.

Military Presence

It is possible that the Libyan crisis may lead to greater activation of the USSR military presence and political initiative in

the Mediterranean area for balancing the impact from the American show of determination and for exploiting any rifts which may have developed in American-European relations. This activation may naturally affect Greek-Turkish relations and, of course, it dictates our timely preparation. For example, the expected arrival in the Mediterranean of the Soviet aircraft carrier *Kremlin*--an even which will be a clear violation of the Montreaux Treaty concerning the Dardanelles--even though it is not directly connected with the Libyan crisis but taking place in the climate this crisis created--will undoubtedly have an impact on Turkish-NATO-U.S. relations as well as to the strategic importance of the Dardanelles and the Aegean and will constitute a first-class test for our foreign policy.

Will Remain Unchanged

Finally, it appears that the Libyan crisis will completely influence in a marginal way the relations of Greece and Turkey with Libya. Of particular significance is the fact that Turkey's relations with Libya will remain at best unchanged if not strengthened despite the fact that during the whole crisis Turkey maintained a pro-American and, in any case, a greater pro-Western profile than Greece.

As a matter of fact, the foreign and Greek press never commented on the way Turkey was able to maintain this profile which proved advantageous to it. TV and radio stations of the Baizak [North Cyprus] pseudo-state broadcast statements by Denktash on 14 April 1986 falsely insinuating that President Kyprianou allowed the use of the British bases in Cyprus against Libya, while at the same time he condemned the American attack which caused the "spilling of Moslem blood"!!

These statements and the general Turkish attitude during the crisis led to the conclusion that the economic and political (recognition of the pseudo-state) needs of Turkish policy will make Denktash the future spokesman of the "pro-Islamic" and "pro-Arab" Turkish policy which the "conventional" recognition of the pseudo-state will render different from the "pro-Western" and "pro-American" policy of the Turkish state. These machinations create problems but also provide easy ways for manipulations which our country must not ignore.

I hope the aforementioned developments have given a deeper understanding of the meaning of the foreign policy international factors. The charting of a long-term policy which will have in mind such developments and ways for coping with them is, in the last analysis, a government task. However, every responsible and enlightened citizen should contribute to the preceding critical discussion before decisions are adopted.

Collective Procedure

The second reasoning is that participation in an inter-state collective procedure implies that implementation of which is agreed is self-understood. Any objections must be expressed in the framework of this procedure and if the magnitude of discussion cannot be overcome, then the logical conclusion is to vote against the position of the remaining states. The balancing of impressions created in the country or in third world countries and the adoption of a common stand through "a posteriori interpretations" bear a high cost and constitute an anti-productive option as concerns the international trustworthiness of our country.

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CSO: 3521/158

POLITICAL

GREECE

DIFFICULTIES AFFECT CREATION OF UNITED LEFT

Need for Respectable Left

Athens KYRIAKATIKI ELEVTHERTOTYPIA in Greek 3-4 Mar 86 p 8

[Article by Giorgis Massavetas: "Who Will Fill the Political Gap?"]

[Excerpt] It is presumed that today some discussion or even some problems may be raised concerning the unity of the Left. But, as usual, sloganeering or arguments which appeal to sentiment and not logic, to the past and not to the future, will again prevail.

In reality, an attempt will be made to regulate the internal affairs of an area which is of interest to those who are and wish to remain communists through a simple change of the title "Interior [KKE-Interior], a change which will facilitate cooperation of the erstwhile comrades in guiding the progressive movement in Greece.

It is not accidental that in KKE-Int. meetings the proposal for a new party of the Left with a new ideology and not just a renovated one by just changing its title, meets with the worst...of luck. The communists have learned to manipulate the masses when in power. They have not forgotten their art now that they are facing the risk of adopting an electoral process for maintaining the much-desired seat for the most beloved Leonidas Kyrkos.

Yet, the Left could become the balancing factor in the country's political life. An honest¹⁶ structured federation of leftist forces could effectively contribute to political developments. But those who want it and work for it are submerged in its organizational problems. They are not at all pre-occupied with the fact that a new Left with different goals and slogans is needed--a Left which will not sustain prevarications; which will not chase, for example, those who do not want to pay taxes, shouting at the same time slogans against tax evasion; which will not be after those who want to obtain degrees without attending classes while sloganeering in favor of "upgrading the curriculum."

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The country needs a Left worthy of respect, a party with a significant role. But our Left, as is known, does not respect itself when it uses the arguments of the decade of the '30s, when it refuses to face the new realities such as the prospect for a united Europe in which a non-dogmatic Left will be dominant.

At this time there exists an ideological and political gap. It will be filled by the one who is daring.

United Left: Only 'Vision'

Athens KYRIAKATIKI ELEVTHEROITYPIA in Greek 3-4 May 86 p 9

[Article by Potis Paraskevopoulos: "Today Unity of the Left is Unfeasible"]

[Excerpts] The Left's strength is in its unity. This is the "credo" of all leftists who are active in the socialist and communist areas. The slogan, "unity of the Left," begins to assume a magic power and spread among more and more of the masses. From a simple desire of the leftist voters and strugglers, unity begins to become the highest political priority of the leftist leaders.

The hopes of the leftist voters for unity and the optimism of the leftist leaders for "a united front of authority" are but a vision. The hopes of the first will prove to be in vain, and the optimism of the second will disappear in the closed space of the Faliron stadium. Unity of the Greek leftist forces is unfeasible today as is also a united front. Even simple, opportunistic political cooperation appears problematic.

In order to be effective, a policy for the unity of the leftist forces pre-assumes unitary political and procedural goals. A united leftist front in power cannot affect social changes if it is structured on the basis of a minimum common program. There must be agreement on a maximum program because only such a program can express the substance of social change. United leftist fronts and democratic and national fronts based on a minimum common program existed in the past. But all had a defensive political character: coping with fascism, dictatorship, foreign dangers and national liberation fronts.

The use of political power for social changes by a front of leftist forces needs an agreement on a maximum common program. Otherwise a minimum program may prove a trap for the weakest leaders of such a front. The parties and the various groups of the Greek leftist area cannot agree on a common

program of socialistic change. For this reason no unitary power front for social change can be formed as the KKE leadership proposes. These parties or groups have different socialistic patterns and international orientations and from these different positions no minimum common program of cooperation can be derived. Even a different attitude toward EEC, NATO and the Warsaw Pact alone--an attitude which in no case can be ignored, including the case of a minimum program of political cooperation--renders an agreement unattainable.

The above assessments show that the problem of unifying the Greek leftist forces is unsolvable. Even if their leaders form an alliance with hypocritical and deceitful compromises, they will be deserted by the rank and file.

The problem the Greek leftist parties and groups face today is to redefine themselves on the basis of the givens of Greek society and Greece's international position. Let them try this redefinition with courage and without dogmatic delays and restrictions. The problem of unity and the unitary front will then be solved and it will be possible to formulate a correct leftist solution to the problems of Greek society. Otherwise the leftist forces will work in vain and hopelessly to find a way out of their present crisis.

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POLITICAL

GREECE

GOVERNMENT RESHUFFLE SEEN TECHNICAL, NOT POLITICAL

Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 27 Apr 86 p 48

[Article by Panos Loukakos: "Reshuffle: New Balance in PASOK"]

[Excerpts] A new, reshuffled government, the third in nearly 10 months since the June 1985 elections, has assumed its duties as of 2 days ago. One should observe that reshuffling tends to become a way of life with PASOK. During the four and a half years it has been in power, it has realized seven inter-governmental changes, some large and others small in size. The changes of the past, however, show some substantive differences compared to today and those to follow. Those were marked with some political shading and expressed specific orientations within PASOK. Moreover, the main feuding was between those who came from the party machinery and branded as "leftists" and the parliamentary cadres who were labeled as "centrists".

The first group is represented mainly by Gennimatas and Laliotis and the second by Alevras and Koutsogeorgas. Thus, each governmental change presented a broader political interest because it represented an unfailing criterion of the trends within PASOK which at times prevailed, were reinforced, or were weakened.

But today things have changed. PASOK's erstwhile omnipotent Executive Office has virtually lost its power and, with the exception of Tsokhatzopoulos, all other cadres no longer belong to it anymore. The old balances have thus been upset and not only in this instance, moreover. Today those who express a trend opposite to that of the "party hardliners" appear to have also lost their power.

It is not accidental that Menios Koutsogiorgas was not included this time among the main advisers of the premier in the government reshuffling. Nor did Alevras play the role he usually played in the past. Thus, it appears that the power balance has tilted in new directions.

For this reason, the recent reshuffling does not constitute a balancing of PASOK's internal trends as was the case in the past.

But for the first time it defines PASOK's clearest structure uniformity--a uniformity which is determined in form and content exclusively and only by its chairman, Andreas Papandreou. For this reason the reshuffling of 2 days ago is mainly technical and not political.

Thus, the questions raised today are not concerned with what this reshuffling does or does not express politically, but what policy the new government will follow in the present difficult situation. Some first indications show that perhaps certain corrective interpretations are necessary in the course the government presently follows.

For the coming week the first "shot" may be fired by the Bank of Greece. Its data show that despite the favorable international situation and despite the austerity measures taken, the Greek economy has not yet found the road to stabilization. And as it happened last year, again these days the Bank's Governor Khalikias will not predict pleasant developments. Solutions are, therefore, being sought in the economic sector.

Complications in the foreign policy area--the Cyprus issue, Greek-Turkish and Greek-American relations, the Libyan situation--show that in this sector too clear decisions and a stable policy are needed. Therefore, here too clear solutions are being sought.

In the area of education the government has made a number of institutional changes, but in the universities there exists today a general chaos for which PASOK paid the cost first during the student elections. Here too solutions are being sought.

In the health sector everything is in a transitive phase and the effort the government started by establishing the National Health System must lead to another outcome than the existing situation. Brave decisions must be adopted and in this sector also solutions are always sought.

In the public order area another type of policy is needed--a policy which will not lead to another fiasco of the Krystalis, Serepisios or Tsekouras type. Here too a different conception is needed. Therefore, the problem and the question today is not about reshuffling. It concerns exclusively and only the policy the government will follow in the coming months.

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POLITICAL

GREECE

PROS, CONS OF ND'S CHOICE OF MAYORAL CANDIDATES

Athens EMBISTEVTIKO GRAMMA in Greek 4 Jun 86 p 10

[Text] The ND statement about the entrance of Messrs Evert, Andrianopoulos and Kouvelas in the arena of municipal elections was surely the most important event during this last week. The choices made by the ND leadership simultaneously mean that the party has decided to proceed to the intensification of the political confrontation.

Mr Mitsotakis' choice was imposed by the following factors:

- The "hardline" party base, but also the fact that the majority of ND followers would like their party to confront the PASOK with the best possible live ammunition in their ranks.
- This confrontation puts an end to all intra-party "grumbling," at least until the municipal elections.
- With the selection of the generally acknowledged "best" cadres for Athens, Piraeus, and Salonica, the ND's electoral chances are thus "spread around," instead of being concentrated on Mr Mitsotakis' figure. Thus, an ND electoral defeat would not reflect badly only on its leadership, but essentially on the entire party; as a result, Mr Mitsotakis' leadership could not be contested by anyone.

This combination of pressures from "below" and intentions from "above" was decisive for Mr Mitsotakis' choices. However, an impartial analysis of the situation would point out a series of "dangers" that these choices entail:

- The "polarization" which is the unavoidable result of the candidacies could well obviate the draining of dissatisfied PASOK voters toward the ND, since the harshly partisan image of the elections may put obstacles in the moves from party to party. Were something like this to happen, the PASOK would of course be the beneficiary.

- Because of Mr Evert's "style," it is unavoidable that the situation will evolve in this direction, especially in Athens. The tension and the various moves that will be ever-present during the electoral campaign will probably entrench within the PASOK the dissatisfied pro-government voters. Moreover, Mr Evert's problematic appeal to centrists may benefit both the PASOK and Mr Giannis Averof, the DI-ANA [Democratic Renewal Party], who claims he is a "centrist liberal."

- With its partisan attitude and strong confrontation, the ND is taking strong "risks," which are quite out of proportion with eventual (doubtful) gains (victory over the PASOK). In case the opposition does not win any important municipal election, or if it does not win any greater percentage than in 1985, it is obvious that the morale of its followers will fall precipitously.

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POLITICAL

GREEK

NEW KKE POLITICAL BUREAU MEMBERS SEEN IN RISE OF YOUTH

Athens PONTIKI in Greek 16 May 86 p 5

[Text] The election by the KKE Central Committee of four new Political Bureau alternate members heralds a radical renewal and rise of the "40-year old generation," that is, of the Lambrakis followers and participants in the Polytechnic School episodes, to KKE political office (also in view of the 12th Congress which will take place early in 1987).

It is expected that with this election the majority of the Political Office (in which presently prevail representatives of the Resistance and Civil War generation with the exception of the Athens Organization Secretary Dim. Condikas and International Relations Director Or. Kolozof) will be taken over by the younger generation, just as the case now is in the Central Committee where the large majority of its members represent the generation of the antidictatorial struggle. The new alternate members are:

Engineer-surveyor Dim. Androulakis, 35, the party's press director.

Philologist Aloka Pappariga, 40, organizational secretary of the Athens Party Organization.

Construction worker Dim. Kostopoulos, 45, secretary of the Greek General Confederation of Labor and a leader of the movement of the "26".

Fur worker Spyros Khalvatzis, 38, secretary of the Greek Communist Youth.

Also, K. Voularopoulos, secretary of the Makedonia Organization was elected a member of the Central Committee's Secretariat. (K. Tsolakis is chairman of the Central Committee and is responsible for giving guidance to the party organizations.)

The remaining Political Office regular members are the party's secretary Khar. Florakis and Nik. Kaloudis (parliamentary representative), Grif. Farakos (editor of RIZOSPASTIS), Loula Logara, Roula Koukoulou (responsible for art affairs), And. Ambatielos, K. Tsolakis, D. Gondikas. The ninth position was held by Dim. Sarlis (responsible for information and propaganda) who died recently. Or. Kolozof and Takis Mamatsis are alternate members.

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POLITICAL

GREECE

BRIEFS

KKE POLITICAL BUREAU CHANGES--The two members of the KKE Political Bureau who are supposed to be replaced at the party's congress (beginning of 1987) are Roula Koukoulou (she will surely go) and Loula Logara (her fate still hangs in the balance). And of course, they will be replaced by the new provisional members that the Central Committee promoted recently. However, it is not certain whether all four provisional members will become full members, since Orestis Kolozof and Takis Mamatsis are already provisional members. [Text] [Athens PONDIKI in Greek 23 May 86 p 4] /9604

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7 July 1986

POLITICAL

NORWAY

POLL MEASURES PREFERENCES ON GOVERNMENT POLITICAL COMPOSITION

Oslo AFTENPOSTEN in Norwegian 2 Jun 86 p 3

[Article by Alf Seeland: "Most Want a Pure Labor Party Government"; first paragraph is AFTENPOSTEN introduction]

[Text] A scant majority of 30 percent of the voters believe that the three coalition parties make up the most stable government alternative, while 25 percent of the voters prefer a pure Labor Party government. On the other hand more--27 percent--prefer the new government, while 22 percent prefer the former government constellation. Among the middle parties the voters prefer by a dominant majority a coalition government of three parties.

These figures come from an opinion poll conducted by the Norwegian Institute for Public Opinion at the request of AFTENPOSTEN right after the change of government. It is illustrative of the parliamentary situation after the election that the voters are bewildered about who can govern with the most stability. Both now and when it involves something desirable, there are splits in most sociological groups.

Cooperation

In the new situation, and in the debate about what will and should happen in the future, it is worth noting that the middle parties can turn out a thundering majority--in the Christian People's Party [KRF] 71 percent, and in the Center Party [SP] 63 percent--who favor a coalition such as they have had, and the same applies to what is desirable. Only a disappearing minority in these parties believe in and want a government of the middle parties. A bare third of Conservative voters want a pure Conservative government, while there is a great desire among Progressive Party [FRP] voters to be a part of a new nonsocialist government.

On the question of whether one should recognize that the Progressive Party is a part of the nonsocialist majority, or whether one should not have anything to do with the party, there is a balance between the middle party voters. One would not have thought that after the massive rejection of this party's foremost politicians. A total of 40 percent of the voters believe that one cannot overlook FRP.

Yes from DNA

Despite the Labor Party [DNA]'s apparent lack of enthusiasm toward taking over the government, 53 percent of the party's voters believe that Gro Harlem Brundtland can govern with the most stability, and 62 percent of DNA voters welcome her. The LO [Trade Union Confederation] members were more hesitant, which relates to the fact that as much of 27 percent of organized labor desires government cooperation between DNA and SV [Socialist Left Party]. Among SV members, 70 percent want SV to terminate its wandering in the wilderness and become a government party with DNA.

In North Norway

Not unexpectedly, a Labor Party government has its strongest bastion in North Norway, where 30 percent want the present government, and only 20 percent prefer the government coalition which departed. On the other hand the nonsocialist parties have their strongest support in Oslo/Akershus.

There is little difference between the answers of the two sexes. On the other hand there is a dominant preference for the three nonsocialist parties in groups under 30 years of age, while DNA has the best influence among those over 60. Among married couples there is a clear preference for the DNA, and a bare majority for the same among unmarried couples living together.

Behind this poll there is the main impression that there are only two realistic government alternatives in the people's opinion: either a coalition government of Conservatives, Christian People's Party and Center Party, or a pure Labor Party government, which the country now has.

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POLITICAL

NORWAY

CHRISTIAN PARTY CHAIRMAN EXCLUDES SUPPORTING LABOR PROGRAM

Oslo AFTENPOSTEN in Norwegian 3 Jun 86 p 2

[Article: "KRF Wants to Reenter the Government"]

[Text] "The Labor Party government has managed to create many problems in a short time. The government party has furthermore turned away from promises which were guaranteed before the election. Such policies cannot gain our support. KRF [Christian People's Party] wants to come back in the government."

This was said by the KRF chairman, MP Kjell Magne Bondevik, who said it in a speech to the party's secretaries at their annual meeting in Grimstad Monday evening.

Bondevik said that the government has adopted policies which will lead to large price rises and increase the country's problems. It has also created confusion about the value of education, and now with the revised national budget it has put forth proposals which will have terrible social effects.

"KRF cannot support a tax proposal which puts an increased burden on incomes down to 70,000 kroner. We should instead intensify the fight against heavy taxes. The proposal to hit sound capital formation in the stock market instead of hitting the market speculators is also unfortunate," said Kjell Magne Bondevik.

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POLITICAL

PORTUGUAL

POLL SHOWS LITTLE CHANGE IN POLITICAL PREFERENCES

Results on Parties' Gains, Losses

Lisbon SEMANARIO in Portuguese 17 May 86 p 3

[Article by Margarida Viegas]

[Text] It is obvious that the 21.4 percent of the voters who are confused at the present time, tomorrow could just as well offer Cavaco the coveted plebiscite on his policy, as restore the past glories of the PS and, even, as save the PRD from its death throes. Nor can one exclude the possibility that, by spreading themselves among all the "altars," they may keep the three alternatives in half-shadow.

Working between 2 and 7 May in the usual six cities, NORMA asked the interviewees how they voted in October and how they would vote now in case of a new election. The replies to the first question led to results strikingly close to those recorded for the nation as a whole, which favors the reliability of subsequent deductions; however, the direct comparison with the current voting trend is negatively affected by the large number of undecided.

Thus, if we rely only on the body of citizens who have formed an opinion (78.6 percent), the division of votes provides perhaps more illuminating clues. To wit: instead of the slight drop of 2 points, the PSD's popularity index rises to the unprecedented cushion of 35 percent; similarly, the CDS clings to its October lows (extrapolation of NORMA's 7.6 percent gives 9.6 percent), which already would be enough to form that majority "new AD" (44.6 percent); the PS will have recovered 5 points, reaching 25 percent, despite the fact that the direct percentage dooms it to pure stagnation; and the slipping of the PRD would still leave it at 12.3 percent, disastrous compared to October but consoling compared to the 9.7 percent of confessed faithful that remain. With regard to the APU, and regardless of how the figures are calculated, the drop is unforgiving, whether it is figured at 11.5 percent outright or the extrapolated 14.6 percent.

While the figures are being probed in search of the truth, one incontrovertible fact detected by the poll should not be lost sight of: the Portuguese are not giving up. More than half of those who say they stayed home last October have regretted it and would rush to the polls today, contributing to one of the largest turnouts in recent years: 85.7 percent. The citizen may be hesitant but he is not apathetic.

Although generalized, strangely enough the retreat from abstention comes especially from the groups with the highest abstentionist tendency: the women, who while still continuing to vote less than the men, promise to increase their participation from 66.2 to 81.6 percent (+15 points); the youth who, while also remaining more indifferent than the older people, show an increased desire to participate (66.1 voted in October, 77.9 would do so now); and principally the upper socioeconomic level which, having been the most absent in the last elections, today surpasses all the others in its desire to vote, with 92.8 percent determined to fulfill their civic duty.

PS/PSD: Actually the Alternative

Going back to the poll figures without further rumination, it is noted that the PSD maintains its position in Lisbon but that is offset by a not insignificant erosion in Oporto (drop of 7 points). From October to date, its popularity grew among the other groups: overall, it is the North (in addition to Oporto, Vila Real, and Viseu) that shows less enthusiasm for Cavaco's policy.

The other side of this coin is found in the recovery of the Socialists, who gain precisely in Oporto (31.6 percent), Viseu (33 percent) and, in spectacular fashion, in Vila Real (44.8 percent, equivalent to an increase of almost 13 points). On the other hand, Lisbon, Coimbra, and Evora appear to be more and more disenchanted with the imbroglios of post-Soarism. From another aspect, the PS is regaining its popularity among women and youth, while irremediably losing the trust of the upper classes.

For its part, with Adriano, the CDS sees its weak appeal reduced to 5.4 percent in Lisbon, with a slim compensation by the increased strength shown in Oporto (+2.9 points). Even Viseu, the proverbial bastion, shows some weakening (16.1 percent). Old and young, men and women, rich, middle class and poor have lost their faith in the Centrists.

Even sadder is the story of the PRD, the victim of sharp declines everywhere (pardon, except in Viseu, where the gain of 1 point raises it to 7.1 percent), noteworthy being the phenomenal drop from 19.7 to 1.2 percent in Oporto, and from 17.8 to 5.9 percent in Coimbra. Even in Evora and Lisbon, the most benevolent, the score remains around 14 percent.

As for the APU, it is hard to believe: less than 10 percent in Oporto, less than 12 percent in Lisbon, in a panorama of general decline which only faithful Evora eludes. All ages, sexes, and social levels contribute to the sentence.

Judging from the cross-percentages, the Communist voters are apparently turning mainly toward the fog (18.2 percent of the October voters do not know what they are going to do next time), without appreciable benefit to Eanes' party, which would reap only 1.7 percent of Cunhal's unbelievers.

In the meantime, the CDS runs the risk of losing one-fifth of its remaining faithful to Cavaco who, for his part, does not offer any disenchanted supporters to any sector of the competition, limiting himself to creating 6.1 percent of agnostics among his previous supporters. As for the Socialist voters in

the last elections, the proportion of those converted to the prime minister's Social Democracy is very low (2.9 percent) and the number taking refuge in the PRD practically zero; except that 28.8 percent of those who believed in the PS 7 months ago do not know where to turn today.

Constancio and Gama, however, are consoled by the return of the turncoats. Independently of the choice between tough or gentle strategies of seduction, 27.3 percent of those who fled to Eanes in October intend to return. At least, that is what they are saying now.

1. Turnout at the Polls.

	Did you vote in October 1985?	Would you vote "today"?
Yes	76.6	85.7
No	23.1	11.5
Do not know	.3	2.8
Did not reply	-	-

2. Vote Distribution

	1985 Elections (National results)	Poll (six cities)		
		In Oct 1985 I voted...	Today I would vote...	Extrapolation of "today"* vote
CDS	9.7	9.6	7.6	9.6
PSD	29.8	29.2	27.7	35.0
PS	20.8	19.6	20.2	25.6
PRD	18.0	19.5	9.7	12.3
APU	15.6	17.3	11.5	14.6
Others	3.5	.1	.8	
Blank	2.6	4.6	1.2	
Do not know	-	-	15.4	
Did not reply	-	-	6.0	

* Note: The computation has been done by taking as the whole the total number of those who definitely intend to vote (78.6 percent) and ignoring the 21.4 percent who do not know or who did not reply

3. What Six Cities Say

	Lisbon		Oporto		Coimbra		Évora		V. Real		Viseu	
	Oct 85	To-day	Oct 85	To-day	Oct 85	To-day	Oct 85	To-day	Oct 85	To-day	Oct 85	To-day
CDs	9.6	5.4	10.1	13.0	9.2	7.2	4.5	2.5	9.5	10.0	17.7	16.1
PSD	28.3	28.7	31.5	24.4	29.4	31.5	23.3	26.2	33.3	31.9	34.6	27.1
PS	19.0	15.3	20.2	31.6	24.1	17.1	14.3	12.4	32.1	44.8	23.1	33.0
PRD	19.8	13.7	19.7	1.2	17.8	5.9	21.4	14.6	11.9	-	14.6	7.1
APU	18.3	11.8	14.6	9.9	15.3	8.5	31.2	31.7	9.5	1.4	6.2	1.7
Others	-	4.2	-	-	-	-	2.9	2.6	2.0	1.7	1.4	.4
Blank	5.1	-	3.9	3.4	4.3	1.5	2.4	4.1	1.6	5.1	2.5	2.2
Do not know	-	16.4	-	12.0	-	27.3	-	6.1	-	4.1	-	12.3
No reply	-	7.6	-	4.5	-	1.0	-	-	-	1.0	-	-

Conclusions Drawn

Lisbon SEMANARIO in Portuguese 17 May 86 p 18

[Article by Jose Miguel Judice: "A Normal and Predictable Poll"]

[Text] The results revealed by the poll published in this issue are perfectly normal and predictable for one who is alert to the signs of the times. The CDS experienced practically no drop (which proves what I have always said in that regard), the PS goes up (which after all is an effect of Soares' election), the PRD and the APU decline (especially because of that same effect), and the PSD goes up significantly, scoring 35 percent and beating the PS by more than 11 points.

The results are also interesting and predictable when one breaks down the vote switching. The CDS loses to the PSD almost as much as it gains from abstentions (which confirms that there was an abstention of the "Right" that may now enter into the system). The PRD loses votes to the PS and to the undecided (all together almost half of its electorate). The PD grows via the 6 October abstainers (surely Socialists angry at the "club" but incapable of "switching T-shirts"), but almost 30 percent of those who voted Socialist in October are undecided. About 20 percent of APU's October voters are undecided and it does not gain votes from any other area. Finally, the PSD gains (a few) votes from all the parties except the APU.

Some deductions may be derived from this that may be useful to the political protagonists provided that they do so with the necessary caution arising from the fact that the poll is not national in scope but restricted to six representative cities. The first of these is that the bipolarization between the PSD and the PS is increasing, for which reason it is likely that the element of making the vote count may come into play in possible early elections. That will naturally benefit the PS more than the PSD inasmuch as the growth capacity of the Socialists is further removed from the current limits.

The second important deduction is that the PSD shapes up as a dominant party, at least at the moment. It is very unlikely that the PSD will cease to be the number one electoral party in possible early elections. Everything indicates, however, that it is not now in a position to achieve an absolute majority of the deputies, but it is clear that the probability has increased that it may be able to form an absolute majority with any of the other four parties, specifically with the CDS, which was the only one with which the number of deputies was insufficient for that purpose.

The third deduction that is worth stressing is that there is a high margin of lack of definition and of indecision among the electorate of the parties "to the left" of the PSD; which apparently may mean that the PSD can gain some votes in those areas but, in that case, strangely enough perhaps, more in the area of the PS than of the PRD. This means that a correct strategy for the PSD is to formulate a combination of social- and popular-based policies in governmental terms capable of attracting lower middle-class sectors, which traditionally vote for the Socialists.

Another aspect of greater analytical interest is the reduction of the APU's vote, which may be proving to be structural in nature, especially if the PS is capable of growing in the area of the non-Communist electorate that usually votes APU. The figures are not completely enlightening but they seem to confirm that the APU declines when the PSD successfully exercises the government leadership, as occurred at the time of Sa Carneiro.

The case of the PRD must be assessed with due care. Actually, the poll is very negative toward that party, which emerges as the main loser. Apparently, it is becoming the victim of its lack of definition, the strategic errors in the presidential election, the normal recovery of the Socialists, and the absence of Ramalho Eanes. But that also means that the recovery of the Eanists remains possible, basically because the part of the vote lost to the undecided is still a base for recovery. However, it is not likely that the PRD, even with Eanes, will again obtain 18 percent of the popular vote, which will not fail to have short- and medium-term consequences, in the former case, in its anxiety to avoid losing votes, the PRD may try to radicalize; in the latter, the Eanist myth will tend to dissipate.

In a general sense, I do not think it is an exaggeration to state that the poll is, above all, noteworthy for Cavaco Silva, who seems to have managed to achieve the growth of the PSD in all directions through his political administration, which constitutes another proof that election growth is achieved by concrete solutions for the problems of the citizens and not by liches and bombast, as well as a proof that the growth "to the left" was favored by the presidential strategy he chose, and not the contrary.

In the meantime, it would be well for the PSD to ponder the poll without excessive triumphalism. As a rule, the first 6 months of government are a "state of grace," and the reformist effort it is essential to continue will be affecting successive established interests. The PS should recover in a short period, the entry of Ramalho Eanes into political action should help the PRD, and the CDS is not going to reduce its electorate. What this means is that today's 35 percent is not assured, because if the undecided of the other parties decide to vote for them, that 35 percent will become 28 percent. For that reason, the great political-strategic task of the PSD has to be to govern well, to solve the concrete problems of the Portuguese, not to antagonize its opponents but to be intransigent with regard to the legislative adulterations of the opposition parties.

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POLITICAL

PORTUGAL

REASONS GIVEN FOR PCP'S NEED TO CHANGE TACTICS, IMAGE

Lisbon EXPRESSO in Portuguese 7 Jun 86 p 3

[Article by Jose Antonio Saraiva: "PCP and Change"]

[Text] It is doubtful whether Angelo Veloso's arrival in Lisbon, announced 8 days ago, will bring any changes to the PCP, in spite of any hopes that the party may nourish vis-a-vis the "ideological" work of the former candidate to the presidency of the republic.

The reason for this is that all of the most important leaders of the PCP--from Alvaro Cunhal to Carlos Costa and Octavio Pato, Dias Lourenco and Blanqui Teixeira in-between--were molded in another era and forged in a different kind of struggle, and they are not of an age where change is easy.

It is as difficult today for a follower of Salazar to adapt himself to democracy as it is for a communist coming from those times to adapt to it.

And this is the truth.

However, the truth also is that for the PCP to grow electorally, a change in tactics and in image is absolutely necessary.

In the first place, because the process since the 25th of April has obviously worn out the image of all political leaders who participated in the events of that period, including those from the Communist Party, who are also burdened by the additional fact that the PCP suffered the worst defeat that a party has suffered in the last 12 years, the 25th of November.

However, while other parties have renewed their leadership, launching in some cases leaders around 40 years of age (like Cavaco Silva and Vitor Constancio), the PCP both failed to renew its leaders and devoured the youngest cadres who appeared after the revolution (such as Vital Moreira and Vitor Louro).

The second reason why the PCP should change tactics and image if it wants to grow electorally is related to the present political situation, which is much more unfavorable to the communists than it was some time ago.

For three reasons.

On the one hand, because the "sober, efficient and competent" style of the prime minister, which is indisputably fascinating to the APU electorate (even because these are the qualities that the Communist Party usually praises) tends to affect negatively the struggle against the government and to weaken militancy.

On the other hand, because the rise of Vitor Constancio to the leadership of the PS, which puts the party "more to the left" on the political horizon, tends to be an obstacle to the rise of the PCP.

Finally, because the consolidation of the PRD through Eanes' appearance on the scene may steal more votes from the APU in future elections.

For all this, the PCP is in need of a change.

With these obstacles to its progress, running the risk of losing some of its followers to other political forces, how will the party resist without having anything new to offer its electorate?

Without even having some new faces to replace certain figures already much worn-out by time?

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POLITICAL

SPAIN

BISHOPS' PASTORAL LETTER CRITICAL OF PSOE

Madrid DIARIO 16 in Spanish 26 Apr 86 p 4

[Article by Abel Hernandez: "Spanish Bishops Against Supreme Power of Socialist Government"; first paragraph is DIARIO 16 introduction]

[Text] Madrid--In their document released yesterday entitled "Catholics in public life," the Spanish bishops urge Catholics to participate actively in politics and social organizations. However, they reject the sectarian nature of Christian parties or unions.

The church document warns about parties and unions called Christian, saying that "none of these specific associations can be considered the only, obligatory way for Catholics to participate in their respective fields." Also "those actions and results do not come under the jurisdiction of an ecclesiastical authority."

It is one of the most important documents by the Spanish church in recent years. This "pastoral instruction" about 70 pages long from the Standing Commission of the Episcopal Conference has been approved by the Plenary Assembly. Without directly planning to, it will unquestionably shed light on the coming elections.

The Spanish bishops are concerned about the current situation of socialist domination. The document states: "When a political group acquires supreme power, it has an almost unavoidable temptation to establish itself firmly and remodel all of society, even the minds of the citizens, based on its own models of life and ethical criteria."

The concern of the Spanish church is even more explicit in the following paragraph: "Excessive direct or indirect state presence in the decision centers of economic, social, and cultural life and in the mass media, used for its political and cultural plans, seriously curbs the real freedom of citizens and the society. State and political control increase and, although using the procedures of a democratic organization, there is a tendency toward a totalitarian and state-controlled social life."

With this "improper politicization of public life," according to the bishops, "the division of the branches of the state, especially the independence of the

judicial branch, is threatened by serious risks to the real freedom of society and the citizens."

Crucial Problem

Then the Spanish bishops explain what they consider to be "a crucial problem still unresolved." In my opinion, this paragraph is the essence and *raison d'être* of this document. It clearly shows the influence of Fernando Sebastian, the bishop who is secretary of the conference and former rector of Salamanca. What follows, then, is a criticism of the situation and a clear warning from the church to the socialist government. It explains the urgency for Spanish Catholics to awaken from their lethargy and react.

"State cultural and moral control of social life through the public mass media, discrimination against people for ideological reasons, and legislative acts opposing fundamental values of human life inevitably clash with the demands of a free and democratic society. As bishops of the church in Spain, we reaffirm our desire to respect the legitimate autonomy of public life."

The document adds: "There will not be any problems between the political institutions and the Catholic Church concerning strictly political actions or social reforms for the common good. Now, as political activity directly or indirectly tries to impose a certain concept of life and moral values, we must oppose this in defense of social freedom."

The bishops continue: "This is especially true if there is an attempt to replace the moral values of the Catholic religion with other concepts of life inspired by agnosticism, materialism, and moral permissiveness. Without diminishing the nonsectarianism of the state and politics, respect for the religious and moral heritage of most Spanish Catholics is also a demand for proper respect for the freedom of society. Culture and religion are, above all, a personal matter and a concern of social institutions, not political power."

The bishops also feel that "the unions must be truly independent and represent and defend the interests of the workers, whether actively employed or on strike, without yielding to the expediences of political forces or ideological interests or dogma." The first part of the document ends, stating that "there cannot be a free and prosperous society without a common moral heritage that is shared and respected."

Action

The bishops reject "two unacceptable alternatives" that have confused and paralyzed many Catholics. Some people have advocated that the church impose "its moral norms for social life as rules of behavior and coexistence for everyone, even through coercion of civil laws." Others feel that "the nonsectarianism of the state and recognition of the legitimate autonomy of the secular activities of man require nonintervention in the different fields of public life by the church or Catholics, inspired by faith."

Neither alternative is acceptable. The "pastoral instruction" travels this narrow road between Catholic inhibition and Catholic activism to arouse interest and even, predictably, controversy.

When urging Catholics to participate actively in public life, the bishops introduce the concept of "political charity" and counter the negative opinion that prevails in our society about those who devote themselves to this public activity. The document states: "Dedication to public life must be recognized as one of man's highest moral and professional possibilities."

They fervently defend association although they warn that "the truly free Christian and citizen must never subject the imperatives of his conscience to the impositions of the group or party he belongs to" because "such wavering paves the way to dictatorial procedures."

Christian Democracy

They carefully explain the doctrine on "secular intercession," indispensable, for example, to understanding Christian democracy. These plans have to be inspired by the Gospel, but "none of them can claim to be the necessary and obligatory translation of the Gospel for all other Christians."

They warn that only "in extreme situations can the church authorities, exercising their moral responsibility, and not as a political request, point out the moral obligation of some particular social or political behavior for the members of the church."

The document emphasizes the need for Christians to always have "critical reservations" toward any ideology. Unquestionably looking at certain Christians compromised by current political power, it warns: "Any spiritual breach caused by submission to secular ideologies or movements whose origins or content are not fully in agreement with the Gospel and the teachings of the church seriously endangers the authenticity of faith and perseverance in Christian life."

After claiming the right of Catholics to demonstrate or participate in public life, they indicate that denying this right would be "a form of discrimination, oppression, and injustice."

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POLITICAL

SPAIN

UCD MILITANTS JOIN POPULAR ALLIANCE

Madrid ABC in Spanish 26 Apr 86 p 33

[Article by Enrique de Diego: "Julio Pascual, Former UCD Liberals Join Popular Alliance"; first paragraph is ABC introduction]

[Text] Madrid--A group of liberals who belonged to the UCD [Democratic Center Union] under Joaquin Garrigues have decided to join the AP [Popular Alliance] "because the political and economic proposals of the Seventh AP Congress indicate a clear evolution toward liberal ideological principles." This group of about 30 politicians without current affiliation is headed by the president of the Liberal Club, Julio Pascual.

Some of the more important people in the group are: Alvaro Alonso Castrillo, former treasurer of the UCD; Ramon Estalella; Antonio Fontan Meana, former deputy mayor of Sevilla for the UCD; Salvador Palop, municipal councillor in Valencia; Juan Caldes; Dario Benito, former UCD senator for Avila; Miguel Angel Cortes, municipal councillor in Valladolid; and Arturo Moreno, secretary general of the Liberal Club.

One of the characteristics of the group is its link with the historic personality and the liberal philosophy of Joaquin Garrigues. Another common trait is withdrawal from active membership since the elimination of the UCD. Those who hold political positions have them as "independents." According to sources close to the group, their incorporation is not the result of negotiations for the coming elections but the result of "a reflection on the important political time for our democracy and the possibility of strengthening an incipient civil society that is really being attacked by the socialist project."

According to several of its members, "starting with our centrist meaning, we feel it is necessary to strengthen the main party of the opposition at this time. It has to be the axis of an alternative to hegemonic socialism. With the main enemy identified, we should not be confused about who must be the main ally."

The last AP Congress was an important point for reflection. "In the political and economic proposal of the last congress, Fraga's party proclaims its confidence in liberalism to solve Spain's problems."

They consider the step taken now "an ethical gesture based on political circumstances. In addition to temporary strategies, we feel there must be a liberal alternative that modernizes Spanish society and strengthens the intermediate levels to replace the abusive role the state has now and which the PSOE [Spanish Socialist Workers Party] proposes to strengthen."

In their diagnosis, they feel that Fraga's party is a good place for "confidence in the society of freedoms and in the potential of liberalism form a valid alternative to the political discourse of the center-right as in France and the United Kingdom." They say that there has been a confluence or agreement between liberalism and conservatism in many countries. During this process, conservatism has adopted neoliberal solutions for the economy and society.

They say: "We want to appeal to all nonsocialist politicians who advocate freedoms and defend an open society to renounce leading roles and minor differences and join the popular alternative to prevent socialist hegemony through the ballot boxes. "

"We feel that the current time requires participation and that is the reason for our gesture."

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POLITICAL

SWEDEN

COMMUNIST PARTY'S NEW PROGRAM AVOIDS MENTION OF REVOLUTION

Stockholm DAGENS NYHETER in Swedish 29 May 86 p 5

[Article by Ake Ekdahl]

[Text] "The path to socialism in a developed capitalist country like Sweden must follow the democratic process and stay within the current Constitution."

So says Jorn Svensson, a VPK [Left Party-Communists] member of Parliament and chairman of the platform committee that is working on an entirely new party program for the Left Party-Communists in preparation for the next party congress in 1987.

Anyone who believes that the country's largest communist party--and now the only one with political influence--sits around in dark cafes devising plots for coups against the king and the capitalists is wrong.

The socialist revolution has been "dedramatized" almost to the point of becoming a reform policy bearing the Wigforss stamp. Jorn Svensson does not point to any crucial differences in terms of the VPK's way of looking at a modern social revolution. The Reddest revolutionaries in Goteborg are going to carp at the Communists in Parliament for having lost their bite when the program is ready a year or so from now.

Honest Program

What the VPK means by revolution, according to Jorn Svensson, is a fundamental change in the balance of social power within the framework of the Swedish Constitution. There are no insidious or secret plans aimed at the violent overthrow of society. What there will be is a new and honest Swedish program for Communists who are true-blue Swedes.

Jorn Svensson is therefore pursuing the policy started by C. H. Hermansson, who in 1964 switched the party onto the track of democratic freedoms and rights. He began with the constitutional reform. Now it is a question of eliminating the alienation people feel under capitalism.

Not Enough Power

"People have very little power over developments in society today. Despite the right to vote, freedom of expression, and all the other freedoms. But if you ask people, most of them will answer that they have no say in most decisions. They do not feel that they really have a share in power. We are judged by what we have, not by what we are."

A few years ago, the old party program was purged of a manifestation of elitism that the VPK was finding it hard to defend. The old program said that "the party organizes the most aware sector of the working class." The new program modifies the VPK's role as the guide of the working class. Jorn Svensson says the party also feels a responsibility for large groups of Social Democrats who support socialism's basic values.

"Vanguard"

"We want to be a vanguard, a builder of opinion, and a guide."

The new VPK program is being completely revised. It will be an entirely new text in more modern language--an aggressive program with an express strategy. Like a map of the road to socialism in Swedish.

The current program--10 years old and revised a couple of times through the years--lacked strategic goals. There were certain short-term demands and certain overall objectives for revolution that were described with great grandeur. The gap between them had become embarrassing and was causing uncertainty in the party, says Svensson.

Less Abstract

The new program will be less abstract. It will describe how present-day capitalism in Sweden developed and take note of the Swedish national economy's distinctive features. There will be two significant points: the VPK's independence with respect to other communist parties and its faithfulness to Marxism without falling back on automatic interpretations of Marxist verbal symbolism.

The author of the program promises that the VPK will wind up with an ordinary program that will simultaneously provide a prognosis and a strategy. Issues concerned with freedom and democracy will be stressed, as will the idea of self-government, ecology, and ways in which people can gain in freedom and dignity.

The VPK's perpetual debate over its relationship with the Social Democrats will get a chapter of its own. Jorn Svensson says that the Social Democratic Party lost its perspective after the departure of Ernst Wigforss and that in recent times it has stopped reforming society.

Contradictions

"The VPK's relationship with the Social Democratic Party is hard to get a grip on," says Jorn Svensson. He says: "There are many contradictions within the Social Democratic Party today. On the one hand, we have an official picture indicating that the party is adapting to the capitalist outlook. On the other hand, there is a party rank and file that wants to revive traditional socialist values. They question the party leadership's policy. There is no organized opposition within the Social Democratic Party today, but opposition has been activated over the past year. That makes an interesting situation for the VPK."

The VPK will criticize the Social Democratic Party, but at the same time, it will support and cooperate with the party's rank and file. It will also defend the workers' majority in Parliament. This dilemma placed a strain on the VPK's unity just before the last congress.

Jorn Svensson admits that problems may arise as a result of locking strategy into the program for the next 10 years. One must expect changes in other parties and in society that will influence the VPK's posture.

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MILITARY

DENMARK

SECURITY COUNCIL'S NEW STUDY ON USSR NAVAL THREAT CRITIQUED

Copenhagen BERLINGSKE AFTEN in Danish 30 May-5 Jun 86 p 5

[Article by Toger Seiden-Faden: "From a Low-Tension Area to a Critical Flank--The Experts Study Our Security Experience"; first paragraph is BERLINGSKE AFTEN introduction]

[Text] SNU (The Security and Disarmament Policy Committee) is occupied today with an extensive report about strategic developments in the Nordic area, which is no longer a low-tension area.

War and invasion in a Scandinavian country?

An almost unthinkable idea for most citizens of the Scandinavian countries. For most of them their daily lives are so secure and the calming judgments of the opinion formers are so well-known that old-fashioned war danger is not thought of. Even though a summer confrontation with Sweden over Hesselø could take place, there is no conflict among us Scandinavians that one could imagine leading to violence.

But what about the threats from outside, and what about the Soviet superpower which has caused three of the five Nordic countries to become members of a binding alliance?

Here also the general feeling is one of confidence. Even if a world war--especially a nuclear war--is a real but vague threat to many, we do not expect it to break out here. We northerners have friendly relations with almost all of the states of the world, and the idea that anyone would wish us enough harm to threaten us militarily is considered by most to be remote.

Thoughtful people have over the years raised a number of arguments which support the general belief in security:

The Nordic area is a low-tension area, because there are no inner conflicts, because the superpowers do not have major interests to protect in the area, because the alliances do not directly confront each other here, and because the superpowers themselves have contributed to not increasing the tension.

It is this line of thought that the leadership of SNU wants to question. The result is a bulky work in two volumes entitled "Fladestrategier og nordisk sikkerhedspolitik" (Naval Strategy and Nordic Security Policy).

Volume 1 covers basic strategies, strengths and military tendencies in the East and the West. In volume 2 experts from all the countries concerned have contributed annexes with their views of the problems. There is also information about the security policy debate over Greenland and the Faroes and a technical section.

It is volume 1 with the leadership's analyses and judgments which contains a kind of answer to the question: How secure do we have reason to feel?

The answer is very carefully formulated, but unambiguous. Apart from the fact that we northerners still cannot imagine conducting war against each other, all assumptions used to characterize the Nordic area as a low-tension area are to some extent undermined.

According to the report there are two main reasons for this:

1. A very significant part of the strategic deterrence--the nuclear balance of terror--is now placed in intercontinental missiles on submarines. Large Soviet strategic submarine forces are constantly in harbors north of and around Scandinavia. Therefore both superpowers have developed a more and more decisive strategic interest in the area.

2. Soviet forces and especially the Soviet Northern Fleet have been undergoing steady growth and modernization for years, and in the West they are starting to react to this, at the same time as both the NATO northern flank and the far north have assumed a more central role in recent American strategic thinking.

In both connections the Kola Peninsula, with the large and multifarious military forces which the Soviet Union has there, plays a major role.

The report brings out nothing startlingly new, but is the first systematic presentation in Denmark of conditions which have long occupied officials and researchers in other Nordic countries.

The report's great caution and resulting inevitable tedium reflects among other things the deep split in our security policy debate. It is presumably necessary to pussyfoot and correspondingly impossible to call a spade a spade, as the political landscape around SNU appears.

If the symmetry with which the two superpowers are discussed in the report really reflects political realities in Denmark, it is depressing. The development and attitude of the report barely disclose that we belong to the Western alliance and are allied with the United States. At the same time much effort is expended to explain any Soviet behavior which immediately appears threatening or subject to criticism. It is conceivable that Soviet self-knowledge, in its official and adapted for foreign consumption version--the Soviet Union only desires parity with and recognition by the United States--is

largely the basis. Other interpretations are given no consideration in explaining Soviet behavior.

The report's "Naval Strategy" systematically eliminates a decisive point in the security policy value of the report. From a symmetrical viewpoint it is good that the Warsaw pact's large amphibious capacity in the Baltic can be balanced off by the fact that the Americans--potentially--have an amphibious capacity which is worth mentioning. The problem is merely that because north Norway is landlocked with the Soviet Union, in most foreign analyses--and in Norway--the area is seen as very vulnerable. But land forces are outside the naval strategy concept of the report. The shortcoming is deplorable, because the dominant theme of the report is security policy. The naval strategy should merely provide a useful systematism.

The report is studded with basic descriptions and important facts. Its main conclusion is incontestable. One must hope that it will be the starting point for the qualified debate which the subject--our no longer so secure security--deserves.

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MILITARY

FEDERAL REPUBLIC OF GERMANY

ARMY'S CURRENT, EVOLVING RECONNAISSANCE DOCTRINE ELABORATED

Bonn WEHRTECHNIK in Germany May 86 pp 70-75

[Article by Col Peter Krueger: "Modern Reconnaissance Problems. Where Are They To Be Found? Is It Possible to Solve Them?"]

[Text] The need for modern reconnaissance and thus also for modern reconnaissance means has of late been particularly emphasized. However, in so doing one thinks mostly of wartime reconnaissance. But equally important are proper reconnaissance activities already in times of peace and crisis. In the following article, Col. Peter Krueger, who in his capacity as branch chief of the armed forces operations staff is competent for basic military intelligence matters, presents some of his thoughts concerning modern reconnaissance.

First, two introductory remarks: reconnaissance is a field about which only few people know a lot which, however, is influenced by many possessing little knowledge. And recent years and decades abound with examples in which reconnaissance was used, but in which reconnaissance results either did not arrive at the right spot or too late or--often a fatal occurrence--were not given any credence. The name of Richard Sorge and the Yom Kippur war can attest to that in many respects.

It is therefore an almost academic challenge to try to think a reconnaissance operation through in such a manner that possibly existing reconnaissance-related pattern conformities can be determined before reconnaissance means are procured and employed.

Many years of pertinent research and the sparse literature existing in this specialized field of endeavor indicate that there appear to be certain conditions and structures which, if observed and applied, make successful reconnaissance possible. At the same time, however, they are also the cause of problems when their assessment and application are faulty. I will in the following give a sketchy presentation of four primary modern reconnaissance problems. These problems are probably to be found in areas entirely elsewhere from where our readers presume them to be.

Reconnaissance means information gathering, and that means information gathering under the most diverse circumstances and for the most diverse

purposes. Reconnaissance means provision for certain needs and is thus the performance of a service. It is not "sui generis." Reconnaissance must be purposive. It must, to the extent that it is possible at all, render recognizable, and thus determinable and assessable certain defined forces in certain defined areas in the course of certain defined time periods.

Fundamentally, reconnaissance has four primary tasks:

--Reconnaissance is the basis for situation assessment by the political leadership and the highest-level military leadership in peacetime, in a crisis, and in wartime. For these purposes, reconnaissance must above all be planned out on a wide basis.

--Reconnaissance is an important basis for planning by the overall armed forces and individual military services. For these purposes reconnaissance must be planned out strategically, operationally, and tactically.

--Beyond this, reconnaissance is also an important basis for armament planning and for armaments. In this respect, too, results of a strategic, operational, and tactical nature must be available.

--Finally, reconnaissance serves the enemy-related training of the troops. For this purpose, there must be made available reconnaissance results in a form which is comprehensible and teachable for the troops and instructors, and which can be translated into arms effectiveness.

Additionally, time plays a role. The age of reconnaissance results is of decisive importance. For this reason there exist, with respect to time, for the above-cited tasks a current, a medium-term, and a long-term reconnaissance requirement, which must be satisfied.

In addition, there is the fact that, besides these criteria, peace, crisis, and war conditions decisively influence the marginal conditions of reconnaissance. All these factors together form the "business basis" of reconnaissance and, at the same time also, the source of continual problems.

The "Reconnaissance System"--Problem No 1

The sum total of the reconnaissance tasks and the different marginal conditions which have to be taken into account therewith clearly demonstrate the fact that they can be solved only in a "reconnaissance system" and not via partial or individual, separate solutions. The continual discussions concerning an improvement in the sphere of reconnaissance also suffers from the fact that the disputing parties do not recognize this and often try to solve only individual aspects. This erodes the system concept. This is Problem No. 1.

Is it possible to solve this problem through a better sorting-out process? Certainly, the possibilities for accomplishing this exist. This, however, calls for a departure from some traditional concepts and a turning towards the system concept, i.e., the reconnaissance system. "If reconnaissance is to be

successful, it must be carried out according to certain order principles. The tried and proven order concepts "space - time - forces" can be utilized to good advantage in this respect as well:

--The space from which one needs to get reconnaissance results must be determined:

--The time in which the reconnaissance results are required must also be established; beyond this an important role is played by the question of whether the reconnaissance is to take place in peacetime, in a crisis, or in a war.

--Finally, precise utilization must be made of the forces through whom one wants to get a clear picture of the situation by way of reconnaissance.

Reconnaissance

From this there result some rather clear task hierarchies which, contrary to widely held concepts, follow certain inevitable laws:

In Peacetime

In times of peace, the security-political environment is determined and judged, which process takes place primarily on the level of the political leadership of the ministry of defense and of the operational staffs. It is there that a security-political situation assessment is made with regard to whether a crisis or even a defense situation is to be anticipated.

This means that reconnaissance in peacetime must above all transcend into the area of individual military services for purposes of camouflaging all reconnaissance objectives. This, moreover must also include the partial results which must be utilized for planning, armament, and training of such individual military services.

In a Crisis

In a crisis situation, reconnaissance will probably have to be more delimited, since it is in the nature of a crisis initially to be subjected to political, spatial, and time limitations.

Here too it will possibly be necessary in connection with the preparation of crisis management activities to make certain military preparations which must be supported by reconnaissance results. This means that in such situations there will develop for higher-level military staffs and command authorities reconnaissance requirements, which must be satisfied.

In War

In times of war, finally, there develop the most comprehensive reconnaissance requirements of all. Political leadership, highest-level military leadership,

staffs, and commands require dependable, timely, and comprehensive reconnaissance results in order to enable them successfully to carry out their tasks and missions.

Sensors Only for War--Problem No. 2

It is frequently not recognized that, depending on existing situations, reconnaissance activities are subject to considerable restrictions.

This can be demonstrated most clearly by the fact that in peacetime it is impossible in or over the territory of a potential enemy to put reconnaissance units into action or to carry out photographic air reconnaissance. And this is where we have today Problem No. 2: Many sensors of the military service branches are usable exclusively in war situations, and not in peacetime, nor necessarily in a crisis, and this is so particularly because of range and employment considerations. At some early point in time when the armed forces were being built up one neglected to include the armed-services-branch transcending reconnaissance concept in pertinent studies and planning, nor apparently was any attention paid to the disadvantages deriving for the reconnaissance system in peacetime for the sensors which are useful only in war.

Considerable means have thereby been expended and personnel tied down in a so to say stand-by position. In addition, these sensors must over and over again be raised to the technologically highest level, without currently being able to use them.

In Peacetime, Long-range Sensors

The ascertained rules affecting the different reconnaissance requirements on the different levels in the three situations--peace, crisis and war--result also in a usable sensor logic.

In peacetime one needs long-range sensors which obtain dependable information from one's own territory. Such information items mostly flow first "upwards" and are distributed from there. This similarly applies to a crisis situation. Here too the results flow to the political leadership and to the highest-level military leadership. Additionally, it also flows to command authorities and staffs, however. In a war situation, this information flow is reversed to a far-reaching extent, because the troops engaged in combat get reconnaissance results through their own activities and then report these from "below" to "above." This, however, does not rule out that the sensors which had been deployed already in peacetime continue to be active.

For a war situation there thus exists a concrete requirement for tactical sensors enabling the troops to carry out reconnaissance in front of them, depending on the range of their weapons.

Basically it may be stated that there exist strategic, operational, and tactical reconnaissance requirements. Overlappings are possible. These requirements must, as already stated elsewhere, be satisfied on a current, medium-term and long-term basis.

The principle of pertinent coordination is the relevancy of the reconnaissance result to the possibilities for action and reaction on a particular level, be it of a security-political-strategic, operational, or tactical nature.

This also produces a basis for the content structure of the results which, the higher they move upwards on the leadership levels, will gradually be able to do without particularization. Conversely, the reconnaissance results which engender immediate weapon effects must be detailed to the greatest extent possible.

Sensor Mix

Without lapsing into technical details or even making prejudiced statements, there is nevertheless one statement one may make safely: they must be able to provide a dependable account of the location and the condition of the reconnaissance objective. Modern technology offers many possibilities in this respect.

It must, however, be avoided that sensors to be procured can not be integrated in an overall reconnaissance system and, above all, cannot be utilized to the greatest possible extent in all situation conditions. If one adheres to this procedure, a certain sensor mix will be obtained. One important aspect which must not be disregarded in this connection is the fact that it is possible to compensate for technical losses and enemy interference through redundancy. A considerable advantage is gained through overlapping ranges of different sensors. A basic principle in this respect must be nondependence on just one particular means.

The best option is a sensor mix which permits a "both...and" solution. This would, on the one hand, be suitable for the assignment to be carried out and it would serve the economical use of personnel and means.

The dominating element is, and continues to be, the range. For a large range, reconnaissance with technical means is the most important aid. For this, reconnaissance with the aid of satellites and high altitude platforms --particularly in peacetime--opens up entirely new possibilities, but also requires careful planning and coordination and, beyond this, considerable investment. The majority of the "image-providing" sensors under discussion in this country continue to be in the tactical-operational and the tactical utilization framework and are thus only partially or not at all usable in peacetime.

Data Management--Problem No. 3

Years ago a senior and experienced NATO officer said to the author the following: "The problem is not production of intelligence--but its management." [Translator's Note: The foregoing sentence is given in English and followed by a translation into German of it].

Problem No. 3 is thus addressed: the modern sensors are flooding those that have intelligence requirements with a mass of data which, on the one hand, can

no longer be evaluated manually and which, on the other hand, require sorting. This statement too bolsters the demand for a "reconnaissance system" and, in connection with it, the use of data processing. The compressing of mass data into an understandable and assessable form as well as timely availability cause great difficulties. Speedy distribution which, due to data processing, would actually be possible fails where it is already being used at times due to traditional and hierarchical notions.

Data management in reconnaissance has become a decisively important function. The speed made possible by data processing must be translated into a time gain in the reporting and distribution of reconnaissance results.

This means that the question of "who must do what in what time" must be answered in a satisfactory manner. It thus becomes clear that, indeed, the main problem is not result production alone, but also result dissemination.

An important basis for the mastering of this problem is the principle that peacetime conditions must without exception correspond to wartime conditions. This additionally means that the peacetime distribution of intelligence results must take place via the same procedures and the same formats as those also used in wartime.

The rule that that which has not been practiced in peacetime will not work in times of war applies particularly in this respect. Special reports, special report formats, and special distribution lists must be avoided, since they create reconnaissance expectations which it will be impossible to fulfill in a crisis and in a war.

Man--Problem No. 4

An incalculably important role--in addition to technology--is played in reconnaissance by man, the personnel, and this brings us to Problem No. 4. An English saying goes as follows: "Intelligence is the second oldest profession of the world but--contrary to the first--it employs the largest number of amateurs." [Translator's note: The foregoing quote, given in English, is followed by a translation of it into German]

Reconnaissance calls for professionalism! The importance of reconnaissance in peacetime, in a crisis, and in war--its employment, its management, and the high monetary requirements involved--can tolerate no amateurs or dilettantes. Thus, personnel active in reconnaissance must be carefully selected and trained. Expertise in reconnaissance will only grow in the course of years of activity in this field. The application of customary rhythms with respect to personnel changes in the field of reconnaissance in therefore a continuously self-inflicted quality loss.

The idea of having a career service expressly for reconnaissance personnel is really worthy of consideration, particularly in view of the ever more increasing complexity of reconnaissance sensors and the problems described above.

Two basic rules can be established in connection with staffing for reconnaissance functions: the productive functions must be staffed with experts, and the distribution and control functions must be staffed with managers.

Whereas for experts predominantly weapons systems experts are called for, one must, with reference to managers, employ persons who have been active in reconnaissance work for many years and who have a clear knowledge concerning the limits and possibilities of reconnaissance work.

The establishment and application of normal personnel planning and guidance standards paired with military-service thinking lead to an unsatisfactory personnel situation in reconnaissance and thus to diminished performance--in extreme cases to faulty planning and faulty actions in reconnaissance work. The political and military damage caused thereby is incalculable.

Starting Point for a Solution

After this, admittedly woodcut-like, description of the four main problems in modern reconnaissance it is nevertheless possible in summary to visualize the following as a starting point for a solution:

- Modern reconnaissance must be set well-defined and realistic objectives;
- These objectives must be covered in peacetime, crisis and war situations;
- These two assignments determine the type and extent of the sensors to be committed.
- The results must be evaluated and disseminated via a procedure which is obligatory for all situation conditions.
- Personnel working in reconnaissance must be selected in good time and trained carefully. The dwell time of their employment should be a long one.

To be sure, this will hardly result in money savings or personnel reductions in this important area. However, one may expect a noticeable quality improvement, which then will be convertible to savings in other areas which are substantially influenced by reconnaissance.

8272/9435
CSO: 3620/706

MILITARY

GREECE

PASOK YOUTH ASKS FOR ARMY CHANGES

Athens TA NEA in Greek 23 Apr 86 p 19

[Article by L. Dimakas: "An Army With a New Face"]

[Text] PASOK's Youth yesterday proposed the abolition of prison penalties for all persons serving in the armed forces, the de-criminalization of draft dodging, a number of changes for draft dodgers abroad--granting them passports and permitting them to visit Greece for 3 months annually--an increase in furloughs and a reduction of the term of service.

In a special press interview on the army and those serving in it, the PASOK Youth spokesman:

1. Pointed out the need for changes in the Army in a direction for "an interesting, productive and creative term which would contribute to the youth's development."
2. Attributed responsibilities to civilian leadership of the Ministry of Defense--as well as to the "self-existing" bureaucratic machinery and mentality--for being unable to accept and promote certain changes.
3. Called on the government, the social and scientific agencies and the political youth organizations "to consider issues on which agreement could be reached and to discuss any differences."

In their statements, D. Karydis, alternate secretary of PASOK's Youth Sector, and M. Orfanos, a member of the Youth Sector, after referring to the Army's role after 1945, to its intervention in political life, to its one-sided ideological and political orientation and to the inability of the progressive democratic forces to deal with the structure and operation of the Army, pointed out that the "issue concerning the Army" has been revived in recent years.

"During the years of PASOK governing," they pointed out, "important steps have been taken such as sanctioning of the military uniform,

the abolition of filing personnel records, the elimination of subordination, the democratization through new military regulations, the increases of soldiers' salaries, the fellowship between the people and the Army, improvement of living conditions and a number of other measures now in force, but they have been functioning inconsistently.

Referring to the Youth's concern about the Armed Forces, the speakers pointed out that "the starting point is the new defensive dogma, the people-Army fellowship, the battle-worthiness of the men for ensuring independence and for defending the country's territorial integrity, conscious discipline and the patriotic conscience."

The Youth's proposals, which will be submitted to the Ministry of Defense, include the following:

--Integration of the Armed Forces into society (inclusion of army camps in city planning policies--such camps to be considered as "city quarters"), discussions with professionals, contributions of the student movement and the professional sectors, enlightening the soldiers on national issues, assignment of drafted doctors, teachers to villages, etc.

--Improvement of living conditions, infrastructure, armaments, athletic installation, especially in training camps for new draftees and in units serving in border areas.

Political Cadres

At this point they underlined the need to appoint in the Ministry of Defense political cadres so their demands may be considered at a higher level. Specifically, they referred to programs for health, nutrition, preventive medicine, environment, family planning, narcotics, training of cooks and quartermasters, motion pictures and theater, athletics, cultural development (teaching accounting, English, electronics, computers), debates, etc.

They also pointed out that with regard to specialties, appointments, transfers and tours of duty the objective qualifications are often disregarded and that objective criteria should be established in order "to minimize the untrustworthiness." They also pointed out the need:

--To allow the reading of newspapers at the Enlisted Men's Recreation Centers (KPSM), to inform soldiers of their obligations and rights, to abolish the penalty of incarceration (but to remain only as a penalty by the Military Criminal Code), to

permit the participation in political demonstrations outside the military camps, to let soldiers reach their own decisions on all matters concerning them, and to react immediately to actions of officers which expose the Armed Forces to fascist behavior or with exploitation of those serving.

On the term of service, they said it should be reduced. "After a dialogue its length will depend on the battleworthiness and national issues. Furloughs should also be increased by 15 days."

With regard to draft dodgers, the PASOK Youth spokesman pointed out that the issue should be solved through dialogue and that accommodations should already be in existence (such as providing passports to those abroad and a 3-month stay in Greece). Anyway, they said "they are against the logic of avoiding service" and pointed out that a solution can be reached through talks. They also said that Regulation 20-1 should be changed as pointed out above.

The PASOK Youth will submit these proposals to the Ministry of Defense.

7520

CSO: 3521/145

MILITARY

SWEDEN

BRIEFS

WAR MATERIEL EXPORTS DOWN IN 1985--Swedish exports of war materiel totaled 2,137.4 million kronor in 1985, compared to 2,177.9 million kronor the year before. A message from the government to Parliament reveals that war materiel accounted for 0.82 percent of Sweden's total exports last year. Exports to the Nordic countries were up sharply in 1985, and Norway and Finland now occupy first and third place respectively as recipients of Swedish war materiel. Half of the exports went to West Europe. Asia increased its share by 8 percent, while Africa's share was down by 10 percent. In Asia's case, the increase consisted chiefly of exports to Singapore. In Africa, Nigeria occupies a dominant position, even though exports to that country have declined sharply in recent years. [Text] [Stockholm DAGENS NYHETER in Swedish 29 May 86 p 6] 11798

CSO: 3650/224

ECONOMIC

DENMARK

GOVERNMENT LAUDED FOR RAISING TAXES, DUTIES TO CURB BUYING

Copenhagen BERLINGSKE TIDENDE in Danish 18 May 86 p 15

[Article by Frank Dahlgaard: "Largest Increase in Tax Burden since Liberal, Conservative, Radical Liberal Coalition"]

[Text] The declining expenditure burden, however, opens up possibilities of a lower tax burden in a few years, but that requires increased savings on the part of the population.

The major political problem of the Four-Leaf-Clover government is the increasing tax burden.

The unpleasant fact is that since Poul Schluter replaced Anker Jørgensen as prime minister, the tax burden has increased more sharply than at any other time since the days of the Liberal, Conservative, Radical Liberal government.

Many nonsocialist voters have reacted in an extremely negative manner to the increasing tax burden. As is quite understandable, they feel that the Four-Leaf-Clover government is pursuing a Social Democratic policy in constantly increasing taxes.

Mærsk Mc-Kinney Møller, shipowner, recently gave expression to the frustration on the part of nonsocialist Danes in deploring "the Christmas package," "the Easter package," the tax on real interest incomes, the scheme of compulsory savings and the extremely high energy taxes.

There is, of course, no doubt either that the development conflicts with the government's repeated declarations of its intention to leave the tax pressure unchanged.

Nevertheless, the government has acted correctly and responsibly by raising the direct and indirect taxes.

However, the enormous protests against the steady flow of indirect tax packages and tax increases have already had an effect.

We shall have no "Whitsun package" with further increases in the energy taxes. And that despite the agreement between the government and the Radical Liberal Party only 2 months ago to raise these taxes if the oil price and the dollar rate of exchange dropped further, which has actually been the case.

However, there is no reason to be happy about the absence of a Whitsun package. Such happiness might, at any rate, be of short duration.

The politicians are not raising the direct and indirect taxes to annoy people.

They, of course, do it to prevent even more unpleasant things from happening.

Politics Versus Economy

The politicians are sensitive to criticism from their own voters.

Most recently, Minister of Justice Erik Ninn Hansen stated publicly that it was politically wrong to carry through "the Easter package" with the high increases in indirect taxes.

It is possible that it was politically wrong.

But it was correct from an economic point of view.

When the balance of payments deficit is record-high and when the declining dollar rate of exchange and the declining oil prices increase the purchasing power and the consumption in this country because the employers have exceeded the pay ceiling, a responsible government will have to intervene.

Erik Hoffmeyer, governor of the Central Bank, has repeatedly asked for a tighter fiscal policy, and in answer to direct questions from reporters he has admitted that the only means in the current situation would be (and is) higher indirect taxes.

It should, furthermore, be mentioned in this context that one of the shrewdest chief economists in the country, Peter Wendt, writes in the most recent issue of the SDS publication ØKONOMISK OVERSICHT: "A tightening of the fiscal policy is, in the short run, the only feasible--and therefore also the only responsible--maneuver."

He adds that only the near future will show whether the indirect taxes were increased sufficiently in the Easter package.

Various Tax Pressures

The graph shows how various forms of tax pressure have developed in the course of the last 10 years.

If we look at the total tax pressure--the total number of direct and indirect taxes and contributions to social schemes (such as contributions to the unemployment fund) in terms of percentages of the national product, the GNP--this tax pressure increased from 44.6 percent in 1982 to 49.8 percent in 1985.

In 1986 the tax burden is expected to increase further to 51.1 percent.

We have to go all the way back to the days of the Liberal, Conservative, Radical Liberal government in the late sixties to find a sharper growth in the tax pressure than the growth which has taken place since the Schluter government took over in 1982.

To soften the hard facts, the government has begun to employ another tax burden concept: the tax burden on persons or "households," as the economists put it.

It is here a question of personal income taxes, indirect consumer taxes, contributions to the unemployment fund, etc., in percentages of the GNP. The trend of this personal tax pressure is shown in the bottom curve of the graph.

As will be seen, the tax pressure on persons has also increased, though less than the total tax pressure.

The explanation is that the non-personal taxes: the company tax, the real interest income tax and the compulsory social benefit contributions on the part of employers have increased particularly sharply.

The graph, furthermore, shows the trend of the total incomes pressure. It is here a question of the total incomes of the public sector in percentages of the GNP.

In addition to the above-mentioned direct and indirect taxes and contributions to social benefits, the total incomes comprise, among other things, surpluses from public enterprises, such as the Danish State Railways, the Postal and Telecommunications Services and the Central Bank, as well as interest incomes from the Danish Labor Market Supplementary Pensions Scheme, the Cost of Living Funds of Wage and Salary Receivers and the Social Pension Fund, which are also included in the public sector.

Expenditure Pressure

The upper curve of the graph, finally, shows the total expenditures of the public sector (including interest expenditures) in percentages of the GNP.

As will appear from the graph, in the late seventies the total incomes and expenditures of the public sector were still more or less in equilibrium. But when in 1981 and 1982 the tax and incomes pressures started declining, while the share in the GNP of the public expenditures continued its rapid growth, the result was an explosion in the deficit of the public budget.

The graph shows the threatening situation that existed in 1982 when the Anker Jørgensen government gave up: the gap between incomes and expenditures increased beyond 9 percent of the GNP, and without strong measures of intervention, the deficit would rapidly soar to exorbitant levels at compound interest.

And, at the time, the interest rate was 22 percent.

When the Social Democrats gave up, they not only left behind a large unpaid bill. They gave up in a situation where the steadily increasing interest expenditures on the increasing debt of the state constituted a direct threat to the welfare state: For, without intervention, the interest expenditures of the public budgets would grow like a "cuckoo in the nest," causing an increasing number of social expenditures to become excluded.

Bitter Course of Events

It was actually when this antisocial consequence of the Social Democratic government's own deficit policy became clear to Anker Jørgensen that he ran away from his responsibility--as well as the bill.

As the graph shows, the Four-Leaf-Clover government succeeded in rescuing the welfare society by reversing the trend both of the expenditure curve and of the incomes curve. "The cuckoo in the nest" has slowly begun to shrink.

The recovery has succeeded to such an extent that we shall this year have a surplus on the public budget of 3 percent of the GNP.

Against this background, it is, of course, bitter for the Four-Leaf-Clover government and the Radical Liberal Party that they are today not only criticized by their own voters but that they are also attacked by the Social Democratic Party for pursuing an antisocial policy.

It has apparently become a political problem that there is a surplus on the public budget. And nonsocialist politicians have now become busy proposing new reforms involving expenditures.

That is a dangerous and wrong policy. If the government manages to adhere to its hitherto tight expenditure policy, the expenditure pressure will in the course of a few years decline to such an extent as to provide a real possibility of relieving the incomes and tax pressure.

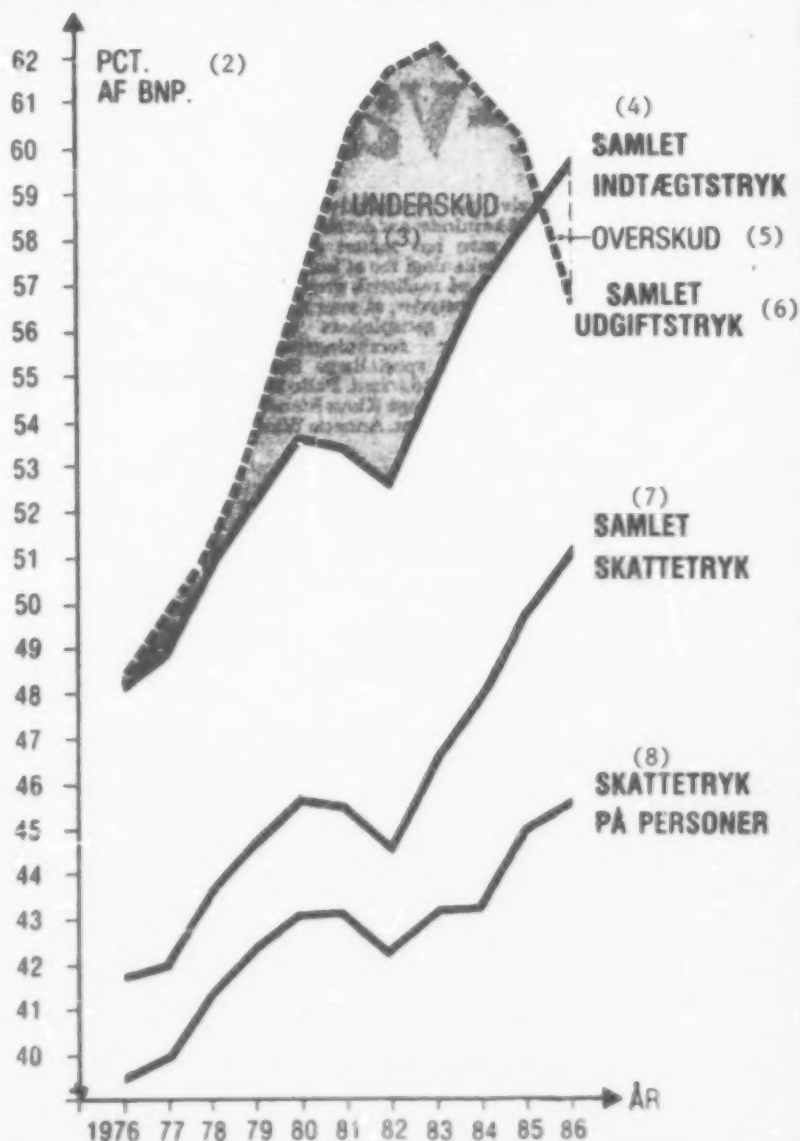
But that is only a possibility. Prime Minister Poul Schluter has somewhat prematurely held out the promise of a reduction of the tax pressure of as much as 10 percent in the course of the nineties.

In order for this promise to be kept, the population will voluntarily have to increase their savings of their incomes. Failing that, the state will be compelled to increase its savings with a view to the balance of payments developments.

In view of the current balance of payments situation, there is no reason to be satisfied with the present surplus of the public budget. The surplus will have to be increased and, for that reason, it is unwise to hold out prospects of tax reliefs to people.

For broken promises reduce the credibility.

Den offentlige sektors indtægter og udgifter i procent af bruttonationalproduktet, BNP. (1)



(9) ← SOC. - REGERING → FIRKLØVERREGIERING →

Key:

1. Incomes and expenditures of public sector in percentages of gross national product (GNP)
2. Percentage of GNP
3. Deficit
4. Total incomes pressure
5. Surplus
6. Total expenditure pressure
7. Total tax pressure
8. Tax pressure on persons
9. Social Democratic government--Four-Leaf-Clover government

7262

CSO: 3613/145

ECONOMIC

DENMARK

POLL FINDS STRONG SUPPORT FOR GOVERNMENT TIGHT WAGE POLICY

Copenhagen BERLINGSKE TIDENDE in Danish 18 May 86 p 8

[Article by Asger Schultz]

[Text] There is, apparently, a broad agreement among the voters that the tight economic policy pursued by the non-socialist government is necessary and that it will be necessary to continue that policy.

The agreement, however, does not comprise voters to the left of the Social Democratic Party, and the agreement is associated by a broad--though uncertain--impression of the negative social effects of the economic policy.

This appears from a poll taken by the Gallup Institute in view of the recent debate on adherence to the tight incomes policy and the emphasis on the unfavorable social effects of this policy.

A representative section of the Danish electorate, comprising about 1,000 respondents, was asked the following question:

"The nonsocialist government has pursued a tight incomes policy with a view to the country's economic recovery. Do you find that this has been necessary or unnecessary?"

The answers to this question were as follows:

	<u>Necessary</u>	<u>Unnecessary</u>	<u>No Opinion</u>	<u>Total</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Total	67	18	15	100
To the right of the Social Democratic Party	92	3	5	100
Social Democratic Party	56	30	14	100
To the left of the Social Democratic Party	41	46	13	100

Two-thirds of the electorate (67 percent) support the policy pursued by the nonsocialist government, and only a small minority (18 percent) reject the tight incomes policy.

The nonsocialist voters support almost entirely (92 percent) this policy, and the same applies to the absolute majority of the Social Democratic voters (56 percent). On the other hand, the relative majority--though not large--45 percent as against 41 percent of the actual left-wing voters oppose the incomes policy of the nonsocialist government.

The objection has often been made that the recurrent drawback of an economic recovery policy has been that the policy measures were relaxed as soon as the initial results had appeared, and the voters supporting the tight incomes policy were therefore asked the following question:

"The nonsocialist government finds it necessary to continue the tight incomes policy. In your opinion, is it necessary to continue a tight incomes policy?"

The answers to this question were as follows:

	<u>Yes</u> <u>%</u>	<u>No</u> <u>%</u>	<u>No</u> <u>Opinion</u> <u>%</u>	<u>Total</u> <u>%</u>
Total	81	12	7	100
To the right of the Social Democratic Party	92	3	5	100
The Social Democratic Party	65	24	11	100
To the left of the Social Democratic Party	61	27	12	100

The vast majority of these voters (81 percent) advocate a continuation of the tight economic policy, and there is pronounced agreement on this within all political groups.

As mentioned earlier, the objection has often been made that the policy pursued by the nonsocialist government has a negative social effect, and the following question was therefore also asked:

"There is some disagreement as to whether some social groups have been more unjustly treated than others under the tight incomes policy of the government. Do you find that some social groups have been unreasonably hard hit compared to others?"

The answers of the entire electorate to this question were as follows:

	<u>Yes</u> <u>%</u>	<u>No</u> <u>%</u>	<u>No</u> <u>Opinion</u> <u>%</u>	<u>Total</u> <u>%</u>
Total	68	16	16	100
To the right of the Social Democratic Party ..	56	31	13	100
The Social Democratic Party	85	6	9	100
To the left of the Social Democratic Party ...	89	3	8	100

As appears from the results of the poll, the vast majority of the voters find that the economic policy pursued by the government has a negative social effect, but it was not possible to get an exact description of who were the hardest hit.

The answers were generally "the weak," "the poor," "the unemployed," and the like. It must therefore be concluded that, despite its acceptance, the policy pursued by the nonsocialist government has largely been interpreted as socially unjust.

That this has nevertheless been accepted will appear from the following survey, where the answers to the first two questions have been distributed according to the answers to the last question:

"There is some disagreement as to whether some social groups have been more unjustly treated than others under the tight incomes policy pursued by the government. Do you find that there are some social groups which have been unreasonably hard hit compared to others?"

	<u>Other</u> %	<u>No</u> %	<u>No Opinion</u> %
"The nonsocialist government has been pursuing a tight incomes policy with a view to the country's economic recovery. In your opinion, has this been necessary or unnecessary?"			
Necessary	68	91	42
Unnecessary	23	4	11
No opinion	9	5	47
Total	100	100	100

"The nonsocialist government finds a continued tight incomes policy necessary. Do you find a continued tight incomes policy necessary?"

Yes	78	92	80
No	15	6	2
No opinion	7	2	18
Total	100	100	100

It appears clearly that although it is found that the nonsocialist government is pursuing an economic policy that has an unfavorable social effect, there is extremely strong support for this policy--and its continuation.

Reprinting subject to indication of BERLINGSKE TIDENDE and the Gallup Institute as sources.

7262
CSO: 3613/145

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

DIW REPORT: DOWNSWING IN 1986 EXPORTS TO THIRD WORLD, CHINA

Berlin DIW WOCHENBERICHT in German 9 May 86 pp 240-243

[Article by Herbert Wilkens: "German Exports to Developing Countries 1986: Declining Tendency:"]

[Text] The generally still unsatisfactory economic development in most countries of the Third World points to a downswing in their imports. Even though only 15 percent of exports from the FRG go to non-European developing countries, this figure nonetheless reached DM 78 billion in 1985. In 1986 this figure is expected to drop to DM 69 billion. Especially affected are markets in oil-exporting countries. Nor will record sales in China be repeated. Better export opportunities, however, exist in other Asiatic countries, as well as in Brazil and several other Latin American countries.

The economic situation of the non-European developing countries¹ is expected to result in 1986 in a decline in imports to these countries of about 6 percent as compared with 1985. This is mostly due to expected import cuts by the oil-exporting countries, which must adjust to decreasing revenues (import decline of 17 percent), although the emergency measures undertaken by several very indebted countries will also have an effect. On the other hand, the threshold countries and the oil-importing countries will increase their imports by about 3.5 percent on average. There are, however, very great differences from country to country: above all, Hong Kong, Brazil, Korea and India will increase their imports probably by more than 5 percent. In about 20 of the 109 countries under consideration here, export increases of more than 3 percent can be expected.

The greatest uncertainty in forecasting import developments in the Third World results from the question of how rapidly the oil-exporting countries will adjust their purchases abroad to decreasing foreign currency revenues. As early as 1985--when there was the first sign of a slight real drop in oil revenue--the exports of this group of countries clearly declined, in terms of price and on the basis of the dollar by about 3 percent on average. If for 1986 an average oil price of \$15/barrel is assumed, this would result in a 50 percent loss in foreign currency profits in several countries; on a general average they would drop by about one-third in this group of countries. In the past, only the rich oil countries with a small population have been able to

build up larger foreign currency reserves; this cushion cannot last for very long, however.² The other oil-exporting countries must obligate themselves to an even greater extent during the current year, since one does not wish to break off many development projects and for political reasons cannot curtail other expenditures to a corresponding degree.

It is presumed that the imports of oil-exporting countries during the current year--with variations from country to country--will be reduced to such an extent that corresponds on an average to about half of the net loss in foreign currency in terms of oil revenues that is expected for 1986.³ A complete adjustment in line with the drop in the price of oil is not to be expected, because not only must business transactions which have already been concluded be carried out, but also state and private investment planning requires an adjustment period.

Fig. 1

Foreign Trade by the Federal Republic of Germany in 1985

	Imports Exports		Regional Structure		Trend ¹ Exports 82-85	Changes ² Compared with Previous Year			
	DM billion		Imports	Exports		82	83	84	85
			in percent						
Total ³	464	537	100	100.0	9	7.8	1.1	12.9	10.0
Industrial									
Countries	386	459	83.2	85.5	11	8.8	2.5	15.2	11.0
EG (10)	222	249	47.9	46.4	9	10.9	1.0	13.1	8.5
France	49	64	10.6	11.9	4	15.8	-7.6	10.4	4.3
Netherl.	58	46	12.6	8.6	9	6.7	4.7	11.3	9.8
USA	32	56	7.0	10.3	30	8.3	16.8	42.6	18.6
Japan	21	8	4.5	1.5	17	8.6	8.5	23.5	14.1
Developing									
Countries	78	78	16.8	14.5	0	3.2	-5.5	1.7	4.3
in:									
Africa	26	15	5.5	2.9	-4	-4.6	-20.6	1.5	6.2
America	18	11	4.0	2.1	5	-19.4	-9.2	19.0	-4.9
Asia & Oceania	34	51	7.3	9.5	1	14.0	0.9	-1.9	6.0
HKST ⁴	11	9	2.3	1.6	18	14.1	1.5	27.8	15.3
China	3	6	0.6	1.2	40	-9.5	33.0	8.1	116.2

¹Annual average adjustments based on sliding 2-year average. ²in percentage.

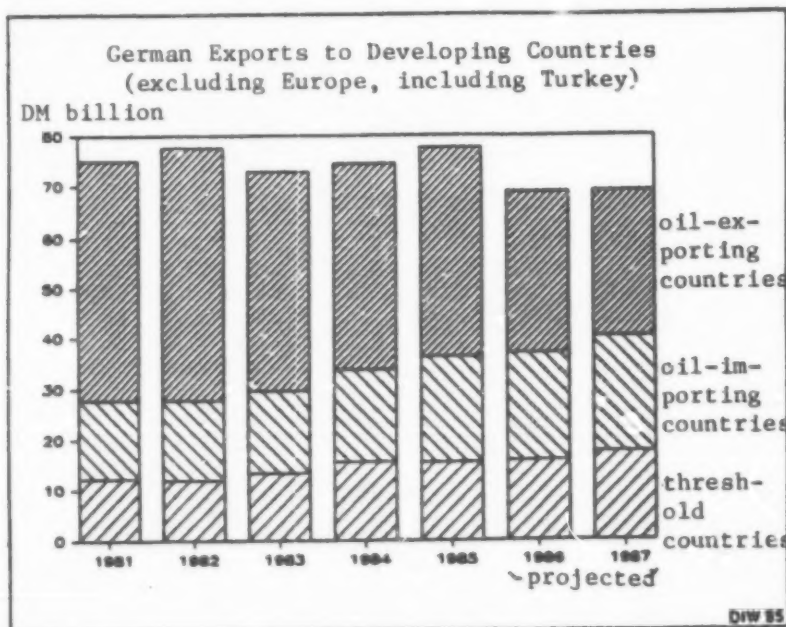
³Foreign trade exclusive of trade with the GDR. ⁴Hong Kong, Korea (Rep.), Singapore, Taiwan.

Source: Federal Office of Statistics

German Exports: Great Importance of the Oil-Exporting Countries

Exports from the FRG to non-European developing countries have for years been increasing at a slower rate than exports overall. A major factor behind this is the decline since 1982 in sales to the oil countries. Nonetheless, in 1985 the percentage of sales to oil-exporting countries was still high; they account for 53.4 percent (including 8.3 percent for China) of FRG exports to developing countries outside of Europe. Lucrative markets were created in these countries during the 1970's after both increases in the price of oil; the range of German export offerings, centering around investment goods, was very well suited to these markets. German exports have thus been correspondingly hard hit by the present contraction in the purchasing power of these countries.

Fig. 2



For the export prognosis for 1986 it was assumed that the German market share--standardized in order to take into consideration obvious special movements in 1985⁴--would remain unchanged. This also presupposes that the devaluation of the dollar can be compensated by German exporters as a whole without a worsening in their competitive position. Thus in order to obtain a projected figure for 1986, the standardized 1985 export figure of the FRG was projected for each country along with the expected rate of increase in imports in the respective country.⁵ A quite accurate forecast can be expected especially for groups of countries which find themselves in a similar economic situation with regard to major export products and their general stage of development. Errors in estimates in the case of extraordinary developments in individual countries should by and large cancel each other out.

The prognosis for 1986 points to a drop in exports from the FRG to non-European developing countries of about DM 9 billion to approximately DM 69 billion; this corresponds to a decline of 11 percent. Figure 2 shows that exports to oil-exporting countries (including China) will fall considerably, while sales to

threshold countries and oil-importing countries will continue to remain on a path of moderate growth.

Fig. 3

Exports from the FRG to the Third World¹

	1984 DM billion	1985	1986p	1984	1985 Changes in %	1986p
Developing Countries	74.5	77.7	69	2.1	4.3	-11
Threshold Countries	15.7	15.5	16	16.7	-1.0	2.5
Asia	9.7	10.9	11	18.1	12.4	2
America	6.0	4.6	5	14.5	-22.6	4
Rich Oil Countries	12.2	10.1	7	-9.9	-17.0	-30
Other Oil Countries	25.6	24.9	19.5	-5.3	-2.7	-21
China and India	5.6	9.8	8.5	15.0	75.0	-14
Oil-importing Countries	13.8	15.6	16	7.9	12.9	2.5
with moderate incomes	12.1	13.5	14	8.9	12.1	3
Asia	7.5	8.9	9	3.0	19.5	3
Africa	2.5	2.7	3	15.8	6.2	3
America	2.1	2.0	2	25.1	-7.1	1.5
LLDC	1.8	2.1	2	1.8	18.1	1.5

P=prognosis. Figures rounded to DM 500 million or to percentage points.

¹Developing countries outside of Europe, including Turkey. Cf. Endnote 1.

Source: DIW calculations.

Figure 3 provides more detailed information concerning the developments which are quite different in the various groups of countries. The largest absolute loss in exports as compared with 1985 are expected in the group of "other oil-exporting countries," with DM 5.5 billion. An increase in German exports cannot be expected in any of the 18 countries in this group; in terms of percentages, the decline could be as high as 1/5 on average. The relative decline may be even greater in the case of the rich oil countries; here a decline of 30 percent is calculated.⁶ This corresponds to a drop of DM 3 billion, i.e. an export figure of DM 7 billion in 1986.

Because of the especially great uncertainty in predicting the import behavior of the oil countries, a sensitivity test was carried out. If the oil countries--e.g. as a result of less rapidly falling oil revenues or increasing indebtedness (or a reduction in their reserves)--were to cut their imports less rapidly (rich oil countries by 20 percent, other oil countries by 15 percent on

average), overall German exports to the Third World would drop by almost DM 6.5 billion, which would correspond to 8.5 percent as compared with 1985. The above-mentioned major tendencies would remain essentially unchanged.

Also the group of countries "China and India," which are combined because of their great economic importance, will not bring relief to German exporters during the current year. In both countries, but particularly in China, German exports climbed rapidly in 1985, as they had done in 1984. Decisive measures have been undertaken especially in China in order to halt the flood of imports and to put a stop to the worsening of the balance of goods and services. Nor can German suppliers expect to be exempt from these measures. The excessive developments of 1985 will be partially reversed, so that a decline of almost DM 1.5 billion, or about 15 percent, can be expected in imports to the two countries combined.

Fig. 4

FRG Exports to Important Partners in the Third World

	1985 DM billion	1983 Rank	1984 Rank	1985 Rank
China	6.4	7	5	1
Saudi Arabia	5.2	2	2	2
Iran	4.8	1	1	3
Turkey	4.2	5	3	4
India	3.4	11	7	5
Egypt	3.2	6	4	6
Algeria	2.9	8	8	7
Iraq	2.5	3	9	8
Brazil	2.4	16	6	9
Mexico	2.4	21	15	10
Singapore	2.3	15	14	11
Israel	2.3	9	11	12
Hong Kong	2.2	18	19	13
Taiwan	2.1	20	16	14
Republic of Korea	2.0	19	18	15

Source: Federal Office of Statistics

The reverse tendency in the case of the oil-exporting countries cannot be balanced out by the expected increase in German exports to other groups of countries. The need to reduce deficits in the balance of payments is still too strong in 1986 in many countries with a heavy debt burden. In 1985, their export profits were often depressed and in 1986 these will improve on a broad front at best towards the end of the year. Since these countries have only limited possibilities to assume further obligations, there is a lack of purchasing power for a powerful revitalization of imports. The greatest increase (4 percent) appears possible in the group of the four threshold countries in Latin America, carried by the economic recovery in Brazil, where an increase of over 7 percent in German exports can be expected. To be sure, an especially hard blow had to be overcome in this group of countries in 1985, when exports to Argentina and Chile declined by more than one-third. Because

of the poor economic situation especially in Singapore, the picture is not so favorable for the threshold countries in Asia as it was in previous years; exports to these countries will probably climb by a good two percent.

Expected growth rates for the other Asian oil-importing countries are somewhat higher. Sales are expected to be good, especially in Burma, Jordan, Pakistan, Sri Lanka and perhaps also in Thailand and in Turkey. Prospects are also favorable in several oil-importing countries in Africa, which in 1985 profited either from the coffee boom or from a general recovery in their agriculture: these include above all Ghana, Cameroon, Kenya and Zimbabwe. Little impulse for additional exports will originate from the least developed countries (LLDC). In overall terms, in these countries economic growth and the related import tendency is restrained. German exports to these countries will register an almost imperceptible increase (+ 1.5 percent).

Prospects to 1987

Prospects for German Exports to broad areas of the Third World will improve towards the end of the current year and then increasingly in 1987. The threshold countries and also the other oil-importing countries will profit, to some extent indirectly, above all from the more stable economic situation in the industrial countries. Their exports will increase and their terms of trade will most likely also recover. Moreover, in a number of important countries with a high degree of indebtedness, new, stable reorganizational strategies will be adopted because of the Baker initiative, so that a continuation of short-term import restrictions can be avoided. This will mean an increase in the purchasing power for imports in the oil-importing countries. Growth rates for German exports could then more than double, i.e. reach about 10 percent.

However, this favorable development will certainly be counteracted by a worsening in German export opportunities to the oil-exporting countries. Even if the price of oil can be stabilized at a level of \$15/barrel, the adjustment that these countries must make to reduced export profits would have to be continued even after the year 1987. In overall terms, therefore, only stagnation can be expected for 1987 as well in terms of exports from the Federal Republic to the developing countries outside of Europe.

FOOTNOTES

1.Cf. "Economic Situation in the Developing Countries 1986: Favorable Prospects for Domestically-Oriented Countries and for Threshold Countries" Ed. by Herbert Wilkens in DIW WOCHENBERICHT No 16 1986, pp 192-199. The individual groups of countries:

Threshold Countries (most advanced developing countries): Argentina, Brazil, Chile, Hong Kong, Israel, Singapore, South Korea, Taiwan, Uruguay.

Rich Oil Countries: Bahrain, Qatar, Kuwait, Libya, Saudi Arabia, United Arab Emirates.

Other Oil Countries: Egypt, Algeria, Bolivia, Ecuador, Gabon, Indonesia, Iraq, Iran, Congo, Malaysia, Mexico, Nigeria, Oman, Peru, Syria, Trinidad and Tobago, Tunisia, Venezuela.

Oil-Importing Countries: All other developing countries, including Turkey.

China and India are usually regarded as a special group of countries.

2. Even Saudi Arabia may well have used up its foreign balances in less than four years.

3. In the group which includes the rich oil countries, an average decline of almost 60 percent of losses in oil income is assumed, 34 percent in the other oil countries. These figures are in keeping with experiences of earlier years, and appropriate measures have recently been announced in many oil countries.

4. In order to calculate such a "normal" export figure for 1985, the actual export figure was increased or reduced by the amount resulting from a weighted consideration of the two previous export values and of the four-year trend 1981-1984 (on the basis of sliding two-year averages):

Standardized Exports₁₉₈₅ = $\frac{2}{3}$ Exports₁₉₈₅ + $\frac{1}{3}$ ($\frac{2}{3}$ Exports₁₉₈₄ x Trend Increase + $\frac{1}{3}$ Exports₁₉₈₃ x Trend Increase)

This standardization is dispensed with when the standard value is DM 100 million or more over the actual value. This applies to countries which greatly reduced their imports as early as 1985. This especially concerns the oil countries, but also Argentina, Chile, Israel and Colombia.

5. Import developments were estimated for each country, taking into consideration the growth in the national product, the export revenue situation, overall indebtedness and the effect of the price of oil. Cf. "Economic Situation in the Developing Countries 1986," op. cit. p. 195 ff.

6. Import cuts in the rich oil countries will have a relatively greater impact because they are less dependent on vitally important basic imports and because several very indebted "other oil countries" have been saved from overly radical austerity measures because of the Baker initiative.

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CSO: 3620/724

ECONOMIC

GREECE

COMMENTS ON BANK OF GREECE GOVERNOR'S REPORT

Athens ENA in Greek 8 May 86 p 15

[Article by Theodoris Kaloudis: "The Spring Proposals of Dimitris Khalkias"]

[Text] For the second successive year Dimitris Khalkias is a front page subject, because for the second time in a relatively short period of time the governor of the Bank of Greece sounds the alarm on the economy's course. At a time, moreover, when it is assumed that last October's austerity measures are beginning "to be effective" (at least that's what the government claims) Khalkias frankly states that these measures are not enough and that more and more effective measures are needed in order for the frozen machine of our economy to start again.

Khalkias' statement--and raw sincerity--created a sensation not because he is the government's major economic advisor nor, perhaps, because it participated in the Supreme Council of Economic Programming [ASOP] which, under the premier's chairmanship, charts the economic policy, but because many remember that last year--while Arsenis was in charge--he predicted new developments when he warned that economic conditions would worsen and asked--indirectly but clearly--for a "turn" in the economic policy.

Regardless of whether Khalkias acted independently or--and most probably--in cooperation with the premier's staff, what he so responsibly stated in his report must be noticed and properly evaluated. In general lines, the bank's governor claims that last October's austerity measures are not by themselves capable of improving the Greek economy and pointed out that they must be supplemented by other measures such as:

--Abolition of the Automatic Cost of Living Adjustment and adjustment of wages and salaries in proportion to the productivity in each sector of employment.

--The entrepreneurs should have the freedom to determine the price of their products so they can be competitive and have incentives for new investments.

--Freedom to discharge personnel from enterprises so the cost of products will not be burdened with extra salaries during periods when the goods are not in demand in the market and, contrarily, to meet the needs in periods of demand comfortably.

--Immediate shutdown of the problematic enterprises with no margins of survival.

--Extension of taxation to all citizens with satisfactory income, including farmers.

In other words, Khalkias recommends the elimination of the "social character" of the government policy and proposes a complete turn to the "realism" of the known "conservative" patterns for coping with the crisis-- patterns which dictate "accelerated stabilization," "tightening of the belt," an increase of tax revenues, support of the investment climate, and the private initiative.

Finally, the measures Khalkias proposes are not popular as the labor organizations and communist parties claim. He himself would never accept such a thing. On the contrary, moreover, he thinks his proposals aim at "long-term protection of the income of the working people" since they are based on the logic that enterprises with profits mean better income for them, a better standard of living and less unemployment. But to attain all these we must go through a necessary, difficult and long period of austerity which will be felt more by those with small and medium incomes.

Officially, the government--through its appropriate ministers--kept its distance from the Khalkias proposals--officially, because the technocrats of the economic ministries are preparing alternative "scenaria" based on "positions" which coincide with those the governor of the Bank of Greece proposed. Of course, it is about scenaria having a political price, because it will be difficult for the government today to refute one of its basic political (and pre-election) arguments by eating cake and having it also, the argument, that is, that it can--as claimed--cope with the economic crisis while satisfying, at the same time "standard social demands" and also maintaining at a firm level earnings of the working people.

Will the government adopt the Khalkias proposals? Yes and no. Much will possibly depend on other factors which adversely affect the balance of political choices. Be as it may, the fact remains that now there is a public and official discussion on economic policy which requires more realism and fewer dreams. Could you imagine such a discussion in 1982?

7520

CSO: 3521/151

ECONOMIC

ICELAND

FINANCE MINISTER ANNOUNCES FOREIGN BORROWING PLANS

Reykjavik MORGUNBLADID in Icelandic 30 Apr 86 o 16

[Article: "Finance Minister Signs a 3 Billion Kronur Credit Agreement"]

[Text] Yesterday, Finance Minister Thorsteinn Palsson signed a foreign loan agreement of 75 billion U.S. dollars on behalf of the Icelandic Government.

This agreement replaces a credit agreement of the same amount which was signed in 1982 and it contains considerable savings from the previous agreement. The original credit was a revolving loan which was paid up in the middle of last year and has remained unused since. The new loan is mainly intended to be an emergency credit, i.e. that there are no plans to draw on this loan except to a very small degree—if any—because of the credit budget for this year. The loan will, however, remain as a guarantee behind the government's sale of short-term bonds on foreign markets. A service is paid on the loan amounting to 0.10 percent per year and interest will be paid on withdrawn credit depending on how and to what extent the loan will be used.

Citicorp Investment Bank Limited in London handled all the preparation and finalizing of the loan; other banks that are participating in the loan are the Morgan Guaranty Trust Company; Bank of America; Credit Commercial de France; Christiania Bank; Orion Royal Bank; PK Banken; Bank of Tokyo; Dai-Ichi Kangyo Bank; Fuji Bank; Taiyo Kobe Bank and Daiwa Bank.

The Central Bank of Iceland handled all preparation for the credit agreement on behalf of the Icelandic Treasury.

9583
CSO:3626/32.b

7 July 1986

ECONOMIC

ICELAND

INFLATIONARY PRESSURES CONTINUE TO LESSEN

Reykjavik MORGUNBLADID in Icelandic 29 Apr 86 p 60

[Article: "The Inflation May Cross the 'Red Line'"]

[Text] There is every indication that the cost of living index which is calculated based on prices as of the beginning of May will be close to the "red line" which the labor market parties used as a basis in arriving at the wage agreements recently. There is still considerable uncertainty about the price index but it may just as well be slightly below as well as slightly above the basis of reference. But this will all become clearer before the middle of May when the index will be published.

When making the wage agreement, it was assumed that the cost of living index would not increase by more than 2.5 percent from the turn of the year to the beginning of May. The index can rise by 1.16 percent total in May and the base of reference will still be valid; however, it is already known that there are increases amounting to almost 1 percent that will be included in the index. Included in the cost of living index will now be the increase in the construction index; automobile insurance; alcohol and tobacco; eggs; also, an increase in many seasonal increases, such as domestic travel; increase in the price of tickets to soccer games; DAS lottery tickets and trailers, to name a few. The last mentioned increases only occur once a year and therefore they reflect last year's inflation. Subtracted from this will, of course, be the decrease in gasoline price. Increases in the price of food and clothing have not been studied, and that is the uncertain factor. Definite increases in import prices because of exchange rate development are known, but countering that is that the traditional agricultural products will not go up in price and that there are decreases in various product groups. Also, industrial concerns have in some instances assumed the exchange rate development burden themselves without raising the price of the merchandise.

It is definite that the room for action is small and "the best results achieved would be that the increase would be below the line," as one of the people MORGUNBLADID interviewed phrased it. If the increases go above the base of reference, a special wage committee from ASI (Icelandic Federation of Labor) and VSI (Confederation of Icelandic Employers) will have to step in. This committee can decide wage compensations due to changes in inflation presuppositions. If this committee cannot reach an agreement, ASI and VSI will take turns in casting the odd vote. In case the index goes above the base of reference and there is not an agreement about the wage compensations, ASI will decide the handling of the case.

9583

CSO: 3626/32

ENERGY

DENMARK

ELECTRIC POWER PRODUCERS CHIEF FORESEES POSSIBLE SHORTAGES

Urges Ministry Approve Plant

Copenhagen BERLINGSKE TIDENDE in Danish 14 May 86 Sect III p 7

[Article by Henning Gøtz: "Electric Power Plants Foresee Shortage of Electricity"]

[Text] If the Energy Ministry does not soon approve the construction of a new power generating unit at the Funen Plant near Odense, the Danish Electric Power Plants Association foresees that we will soon come to experience an electricity shortage. The environment minister also received at the general assembly the previous day critical comments because of the electric power plants' problems with the disposal of fly ash.

The president of the Danish Electric Power Plants Association, Social Democratic County Councillor Jacob L. Hansen, foresaw at the general assembly yesterday in Aalborg considerable risk of a shortage of electric power being able to originate here at home in a very few years if the Energy Ministry hesitates in giving permission for an expansion of the Funen Plant near Odense with one more power generating unit.

Jacob L. Hansen advertised for the authorities' and Folketing's support in the current expansion planning. "In 1985 we saw an increase in electricity consumption of 5.4 percent, which is the largest increase since 1978. All of Europe in the last couple of years has had increases in electricity consumption, and what is happening is that we are all experiencing a period with new economic progress."

"Therefore there is no reason either to feel sick about the increase in the consumption of electricity, as is in vogue in certain circles," Jacob L. Hansen said, addressing, among others, the Radical Liberals and Socialist People's Party, which have attempted to trip up, among other things, the expansion of the Funen Plant.

The electric power plant association president emphasized that the need for the new unit on Funen is "very well documented."

"I do not want to be the one to tell the job market's sectors that they can not get power for machines and jobs," Jacob L. Hansen said, who added that a unit too much will cost the society less than a unit too little.

Expansion of Vestkraft [West Power Plant]

It was South Jutland's High-Voltage Power Station which at the general assembly 14 days ago was the first to sharpen the tone and make prophecies of Armageddon for Denmark's electricity supply if new power plants are not built soon. At the same time the board of directors of the Jutland-Funen electric power collaborative, Elsam, approved the expansion of Vestkraft in Esbjerg.

Elsam also has plans, within about 10 years, to build new power generating units at Nordkraft [North Power Plant] in Aalborg, the Skaerbaek Plant between Kolding and Fredericia, and the Ensted Plant near Åbenrå.

The electric power plants say that considerable electricity capacity must be installed, among other things, because the latest negotiations with Norway and Sweden have shown that our neighboring countries do not have surplus capacity which Denmark can count on.

The Energy Ministry is at present about to study last year's growth in electricity in order to find out whether the big increases in consumption will continue at the same rate. At the same time a committee is studying whether it can pay to construct an electrical connection over the Great Belt so that Funen and Jutland can draw on Zealand's plentiful electrical capacity.

Fly Ash

At the general assembly Jacob L. Hansen at the same time cautioned against overestimating the capabilities of the possibly coming decentralized district heating plants. "It will be a question of totally marginal capabilities which cannot replace the big block units," he said.

The electric power plant association president, in accordance with traditional practice, also directed criticism against the environment authorities, who have not yet been able to solve the disposal problems concerning residual products like sulfur and fly ash. "But even under the most optimistic assumptions concerning the possibilities for recycling, we will not escape the necessity of disposing of considerable amounts."

"Here I think that to a certain extent we have been left in the lurch by the environment minister. Something has quite certainly been issued which resembles a national plan directive, and which orders counties and municipalities to designate suitable dumps. But this is totally inadequate and it can be feared that the local authorities will creep around it so that we are left with the unsolved problem," Jacob L. Hansen said.

Electricity Production Increasing

Copenhagen BERLINGSKE TIDENDE in Danish 17 May 86 Sect III p 4

[Article: "Elkraft Supplied 10.6-Percent More Energy in 1985"]

[Text] Elkraft, which is the collaborative for the three Zealand electricity supplying companies, in 1985 supplied 18,815 gigawatt-hours of energy--a gigawatt-hour, GWh, is the designation for a million kilowatt-hours. The 18,815 GWh equal a 10.6-percent increase as compared with 1984.

Of this, 11,973 GWh were supplied in Elkraft's own area; this represents a 6.5-percent increase. The rest was sold--mainly to Sweden, which took 629 GWh, or over three times as much as the year before. In return, Elkraft imported 1158 GWh of energy from the Swedes, and this represents a good half of the import figure for 1984.

The information comes from Elkraft's report and balance sheet for 1985, which was published on Thursday.

It appears from the balance sheet that Elkraft sold a good four billion kroner worth of electricity to the utilities companies, which sold it further to the consumers. This proved to be something under 40 million kroner too expensive in comparison with Elkraft's expenses.

8831

CSO: 3613/137

ENERGY

FINLAND

COAL-FIRED POWER PLANT SEEN AS SUBSTITUTE FOR FIFTH REACTOR

Power Firm Director Supports

Helsinki SUOMEN KUVALEHTI in Finnish 16 May 86 pp 8-10

[Article by Jukka Ukkola: "Large Coal Power Plant in Pori or Kotka"]

[Text] Since the accident in Chernobyl froze the plan for new nuclear power plants in an instant, the energy management people are already looking at other forms of energy. In the opinion of Antti Koivuniemi, the managing director of Pohjolan Voima Oy [Pohjola Power Company], a fifth nuclear power plant can be replaced only by a large coal-fired power plant, which must be located at the head of a sufficiently deep waterway, for example, Pori or Kotka. In addition, a whole group of smaller peat-fired power plants and district heating plants will be needed if there is a desire to satisfy the growth of energy consumption. Possibly, the position of hydropower will also have to be reconsidered.

The accident at the Chernobyl Nuclear Power plant was a kind of neutron bomb. It demolished energy plans, but left behind the needs for energy. In an instant the world woke up to an energy hangover, somewhat in the same manner as in the 1973 oil crisis.

Energy policy is no longer the same anywhere since Chernobyl. There will, at least, be a pause in the construction of nuclear power plants, during which safety and public approval will have to be completely reassessed:

"Just when people had learned to distinguish between a nuclear power plant and an atom bomb, this happened," stated Managing Director Antti Koivuniemi of Pohjolan Voima Oy in describing the situation.

Now there must be a clarification of what effect the Chernobyl accident will have and what should be learned from it: as the Gallup poll conducted by SUOMEN KUVALEHTI last week indicated, the majority of the people turned against nuclear power in an instant.

The situation being thus, it is doubtful that a fifth nuclear power plant will be built in Finland by the beginning of the 1990s when it is calculated that

new basic energy will be needed. Something should be built in 1988 already, thinks Koivuniemi. Consumption will increase by approximately 3 percent a year on the average.

Coal As A Substitute

However, completely new sources of energy will not be found for this emergency even though research on them will undoubtedly increase. At least in Northern Finland, it is not possible to depend on solar energy, and there is not enough momentum to operate windmills amidst Finland's forests.

The old familiar coal, oil, peat, and perhaps hydropower also return as key words.

"Over the long term coal is the only substitute for nuclear power," says Koivuniemi. The basic power economy requires a 500-megawatt power plant, which must be located at the head of a sufficiently deep waterway 13--15 meters deep. Such can be found in Pori and Kotka, which in Koivuniemi's opinion would be quite suitable as locations for a coal-fired power plant.

Presently, more than one-third of Finland's energy production is from nuclear power, one-fourth from hydropower, and the same proportion from so-called counterpressure power generated in connection with industrial and municipal heating. Nuclear power comprises 13 percent of the world's total energy production.

The proportion of coal as a raw material in Finland is a full one-fifth. At this time 5--6 million tons are imported, but the amount will already increase to 10 million tons when the plans to date are accomplished.

At the present time the price of coal is so low that only the best mines in the world are in operation. The situation may change perceptibly if coal becomes an extensive substitute for nuclear power.

Finland obtains its coal from various parts of the world, Poland, England, the United States, Columbia, and Australia, among other places. Whatever amount can be obtained is imported from the USSR. The best coal mines are to be found in South Africa, but a trade embargo prevents imports from there.

The distance of the import country does not have a direct effect on price since Poland and England, for example, ask the same price for coal delivered to its destination as more distant countries.

Peat and District Heating in Emergency

Before the construction of a large power plant, the so-called dispersed model should, however, be accomplished, or a couple 150-megawatt peat-fired power plants and several municipal heating plants with a capacity of approximately 100 megawatts should be constructed, says Koivuniemi.

Additional hydropower could, in his opinion, be built in those rivers which have already been harnessed, thus in the Kitinen and Ii rivers, for example. In the north demands have already been made to exploit the Ounas River, which was placed under environmental protection 3 years ago, as a substitute for nuclear power.

Pohjolan Voima has offered to build another peat-fired power plant in Pudasjarvi inasmuch as it will also obtain permission to build in the Kollaja basin for the purpose of making hydropower production in the Ii River more efficient.

The project is primarily dependent on whether Kollaja will be made exempt from the laws protecting its rapids, an issue that will be debated in parliament in the near future. The government proposed after a vote that this not be done at which time the Pudasjarvi peat power plant would also be abandoned.

Imatra Power is planning to construct another peat-fired power plant in Haapavesi in the Province of Oulu.

No End to Environmental Debate

These plans already clearly demonstrate that Chernobyl will also perceptibly change the environmental debate and will make energy policy perhaps the most important subject of controversy in the near future.

If the accident turned opinions in the direction of environmentalists opposing nuclear power, they will soon find that they will be faced with new battlefields. Hydropower would require that rapids intended for protection be put into use, and coal, oil, and peat are not pollution-free sources of energy.

While this new situation will inevitably raise the price of oil, coal, and perhaps even peat, a demand to perceptibly restrain energy consumption will undoubtedly be raised.

Disappearing Nuclear Power?

Considerable difficulties with nuclear power plants are being experienced in places other than Finland also. The effects of Chernobyl on the whole world economy are still unpredictable, but certainly great.

In Sweden it has already been estimated that the price of electricity will increase drastically in the near future and electricity will have to be regulated.

In the United States the Worldwatch Institute, an environmental protection organization, has already predicted in its research that 229 nuclear power plants presently in operation will be shut down by the year 2010. Among them 63 would be American and 163 are located elsewhere in the world.

The average life-span of a nuclear power plant is estimated to be 30 years. Some of the older power plants (in the United States, Canada, and the GDR) will reach this limit this year.

To date not one single nuclear power plant has been dismantled, and according to Worldwatch, no country in which nuclear power is being used has made sufficient preparations for such dismantling operations. The cost of such an operation would range from approximately 250 million markkaa to 15,000 million markkaa.

According to Cynthia Pollock, director of Worldwatch research, the dismantling of a nuclear power plant will become more dangerous the longer it has been in use since radioactivity accumulates from year to year as the power plant operates.

Projects on Ice

The Chernobyl accident will have the most perceptible effect on those nuclear power projects which are in the initial planning stages, ordered, or under construction. There are 261 such units in the world. Their combined capacity is almost as great as that of the 350 power plants already in operation.

According to the most recent statistics from last August, 26 countries are using nuclear power at this time, and in addition, power plants are being planned or under construction in 11 other countries.

The most nuclear reactors can be found in the United States (91), the Soviet Union (48), France (41), Japan (34), England (22), and West Germany (19).

The capacity of reactors fluctuates rather greatly, from a few megawatts at the end of the 1950s to reactors with several hundred megawatts in the 1960s and to the newest reactors with more than 1000 megawatts. In Finland the capacity of the power plants in Lovisa is 435 megawatts and in Olkiluoto approximately 700 megawatts.

Teollisuuden Voima Chief Opposed

Helsinki UUSI SUOMI in Finnish 16 May 86 p 25

[Article: "TVO's von Bonsdorff: 'Time for Considering Nuclear Power Plant Is 1 Year'"]

[Text] Because of the accident at Chernobyl, no more than a year is needed for considering Finland's nuclear power program, says Managing Director Magnus von Bonsdorff of Teollisuuden Voima [Industrial Power]. The schedule so far projected that a fifth nuclear power plant would have been ordered at the beginning of next year. In Bonsdorff's opinion, the order should now be placed a year later or at the beginning of 1988. If this should occur, Finland's fifth nuclear power plant would be in operation in 1995.

A delay in the schedule will, according to Bonsdorff, worsen electricity management in any event in the 1990s and will result in more expensive electricity. The situation will be made worse by the uncertainty surrounding the future of electricity production in Sweden and the USSR. According to Bonsdorff, the postponement of a decision on a nuclear power plant will cost 400 million markkaa annually.

"A decision on a new coal-fired power plant should in any event be made at the earliest possible date," hopes Bonsdorff.

The Chernobyl accident has not changed the basic facts about the benefits of nuclear power and the safety of Finnish power plants according to the managing director of TVO [Teollisuuden Voima].

Nuclear Electricity Inexpensive

"Electricity from the present plants at Olkiluoto can be produced at a cost of 12 pennies per kilowatt hour. In the new nuclear power plant the cost will be 14--16 pennies, and in a coal-fired power plant it will be 19--20 pennies per kilowatt hour," estimates Bonsdorff.

According to him, after Chernobyl there is a need in Finland to make catastrophe preparedness and communication connected with it more effective.

"Communication of information to officials could have been quicker and more effective," says Bonsdorff.

Additional Power Plants Wanted in Area

According to Managing Director Jaakko Hirvonsalo of the Rauma Chamber of Commerce, the Chernobyl accident has not changed the positive attitude of the area's population toward nuclear power.

The continued construction of nuclear power is still timely, and Olkiluoto could be made into a center of Finland's energy management.

Unclaimed Shares For The Banks

Chairman Jaakko Lassila of the Central Chamber of Commerce pointed out that a large share of the banks' ownership in enterprises has come about out of necessity in connection with corporate reorganization. This activity has not been profitable from the point of view of the banks.

"The banks must be able to conduct transactions producing a greater profit than the ownership of shares in crisis companies. According to him, the temporary opportunity for banks to own shares of enterprises in excess of the present limits should, however, be expanded. According to him, this could occur without the right to vote 'on the principle of unclaimed ownership'.

"In this way the shares would not have any voting rights if they were current assets. When the shares are sold again or they become the bank's investment property, voting rights would be restored," proposes Lassila. "This arrangement would make it possible for the banks to secure the stock issues of enterprises, among other things," pointed out Lassila.

Tax on Profit from Sales Had No Effect

A report published at the spring meeting of the Central Chamber of Commerce on the causes of business transactions states that the changed tax on profit from

sales did not have any appreciable effect on transactions even at the end of last year when an exceptionally large number of business transactions were conducted. According to the research, the most important reasons for the sale of businesses are the transfer of ownership to a descendant, personal reasons, and better development opportunities. The tax, in general, was a significant factor in the sale of businesses in a little less than 15 percent of the such instances.

Imatra Voima Chief Comments

Helsinki UUSI SUOMI in Finnish 16 May 86 p 25

[Article: "Imatra Voima in New Situation, Guarantees for Production of Electricity or A Coal-Fired Power Plant Now"]

[Text] Imatra Voima [Imatra Power] intends to make a decision on the construction of a new coal-fired power plant this summer. Coal power would have been needed even if the decision on the construction of a nuclear power plant had not been postponed.

"The postponement of the nuclear power decision will not bring about an increase in the price of electricity until the 1990s. The recently renewed price tariffs locked in the price of electricity for 10 years," states Development Director Lasse Nevanlinna of IVO [Imatra Power].

The postponement of the nuclear power decision seems to be accelerating the construction schedule of other forms of condensate power. To continue to import electricity from the USSR would be more beneficial than coal power. The present import agreement will expire in 1989. The agreement could have been rescinded inasmuch as a nuclear power decision would have been made.

"We must be able to negotiate the continuation of electricity imports this summer since a solution will affect the construction schedule of other power plant capacities," states Nevanlinna. Imported electricity is at this time much more beneficial than coal or peat power.

The new price negotiations on imported electricity will, however, be conducted from a new basis. The seller has estimated its price according to what would be the buyer's other alternative. If nuclear power is dropped as one of Finland's alternatives, the price of imported electricity will be primarily compared with the price of coal power.

The proportion of imported electricity in the total consumption of electricity is now approximately 10 percent. The accident at the power plant in Chernobyl may have an effect on the Soviet Union's readiness and opportunities to continue the sale of electricity to Finland at its present level.

Imatra Voima is ready to make a decision on the construction of a new coal-fired power plant very soon. The procurement of a 300-megawatt plant seems to be the uppermost consideration. Electricity produced by this type of a plant will cost a full 20 pennies per kilowatt hour. If electricity is produced by

a 500-megawatt nuclear power plant, its price is reduced to a little less than 16 pennies per kilowatt hour.

Calculated on the basis of kilowatt hour price alone, the postponement of the construction of a nuclear power plant will cost approximately 100 million markkaa annually.

However, the issue is not so simple in business activities. If, however, it is decided to build a nuclear power plant later, the investment in a coal-fired power plant will in its entirety become a burden for IVO. A 300-megawatt coal-fired power plant will cost approximately 1.5 billion markkaa.

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ENERGY

ITALY

PCI DIRECTORATE PROPOSAL ON NATIONAL ENERGY PLAN

Rome L'UNITA in Italian 15 May 86 p 1

[Article: "PCI Energy Proposals Point By Point"]

[Text] During its Wednesday meeting, and within the framework of a more general examination of the international and domestic situation, the PCI Directorate thoroughly reviewed the problems and questions raised by the great tragedy of Chernobyl.

The Directorate expressed full agreement with the report, judgments, and recommendations in the Secretariat's communique of 7 May. Regarding the implementation of Italy's energy plan, the Directorate particularly stressed that the Chernobyl disaster and the grave shortcomings revealed even in our own country concerning data gathering and accident prevention and safety systems, make it absolutely necessary to have "a period of reflection and reconsideration allowing a reexamination of energy and security policies."

The PCI Directorate considers that such a period of reflection should be carried out through:

1. a thorough parliamentary discussion, based on motions presented by the communist groups, of all aspects and problems in fulfilling the national energy plan, with particular concern, on the one hand, for the system of accident prevention, information and verification, and, on the other hand, for the failure to carry out steps for security and conservation, and for research and development in the field of renewable energy, which communists have always pointed out as fundamental;
2. within 4 months, calling a national energy conference which, on the basis of new data obtainable from national and international experience, would proceed to "redefine the framework of advantages and guarantees within which basic choices of national energy policy are made;"
3. a national consultative referendum which, as already pointed out in comrade Natta's report to the 17th Congress, would submit the most controversial decisions concerning energy policy orientation to the people's judgment. In this connection the Directorate requested the communist parliamentary groups to prepare the appropriate legislative instruments to develop such a referendum.

Furthermore, the PCI Directorate has decided to promote, with the scientific and technical world's contribution, suitable preparations for a campaign for a more extensive study of the problems, and for more appropriate informing of the public.

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END